

# **FIRST AMENDED AND RESTATED BYLAWS OF HILL COUNTRY TRANSFORMATION CHURCH**

These Bylaws (hereinafter referred to as "these Bylaws") govern the affairs of Hill Country Transformation Church, a Texas religious nonprofit corporation (the "Church" or "Corporation") dba Transformation Church. The Church is organized under the Texas Non-Profit Corporation Law Chapters 20 and 22 of title 2 and the provisions of title 1. The Church was formed on October 20, 2020, file number 803808177 as a Domestic Nonprofit Corporation in Texas.

## **ARTICLE 1 NAME AND PRINCIPAL OFFICE**

The name of this religious nonprofit organization is HILL COUNTRY TRANSFORMATION CHURCH. The principal office of the Church in the State of Texas shall be located in Kerrville, TX. The Board of Directors of the Church, hereinafter referred to as the "Trustees," shall have full power and authority to change any office from one location to another, either in Kerrville, Texas or elsewhere. The Church shall comply with the requirements of the Law and maintain a registered office and registered agent in Texas. The registered office may be, but need not be, identical to the Church's principal office in Texas. The Trustees may change the registered office and the registered agent as provided in the Law.

## **ARTICLE 2 STATEMENT OF FAITH**

The following are the core beliefs of Transformation Church based on the foundational truths taught in the bible. All of our teaching and ministry is rooted in and flows out of these biblical doctrines.

2.1 Holy Bible. The Holy Bible, and only the Bible, is the Word of God. It alone is the final authority in determining all doctrinal truths. In its original writing, it is inspired, infallible and inerrant (II Timothy 3:16; II Peter 1:20-21; Proverbs 30:5; Romans 16:25-26).

2.2 Trinity. There is one God, eternally existent in three persons: Father, Son and Holy Spirit. These three are coequal and co-eternal (I John 5:7; Genesis 1:26; Matthew 3:16-17, 28:19; Luke 1:35; Isaiah 9:6; Hebrews 3:7-11).

2.3 Jesus Christ. Jesus Christ is God the Son, the second person of the Trinity. Jesus was 100% God and man. Being the only one to ever to have lived a sinless life, He was born of a virgin, performed miracles, died on the cross for us which resulted in the atonement of our sins through the shedding of His blood.

He rose from the dead on the third day according to the Scriptures, ascended to the right hand of the Father, and will return again in power and glory (John 1:1,14, 20:28; I Timothy 3:16; Isaiah 9:6; Philippians 2:5-6; I Timothy 2:5).

2.4 Virgin Birth. Jesus Christ was conceived by God the Father, through the Holy Spirit (the third person of the Trinity) in the virgin Mary's womb; therefore, He is the Son of God (Matthew 1:18, 25; Luke 1:35; Isaiah 7:14; Luke 1:27-35).

2.5 Redemption. Man was created to be good and honorable, but through temptation and transgression he fell; his only hope of redemption is in Jesus Christ, the Son of God (Gen. 1:26-31, 3:1-7; Romans 5:12-21).

2.6 Regeneration. To know God, a process of regeneration by the Holy Spirit is absolutely essential (John 6:44, 65; Matthew 19:28; Titus 3:5).

2.7 Salvation. We are saved by grace through faith in Jesus Christ: His death, burial, and resurrection. Salvation is a gift from God, not a result of our good works or of any human efforts (Ephesians 2:8-9; Galatians 2:16, 3:8; Titus 3:5; Romans 10:9-10; Acts 16:31; Hebrews 9:22).

2.8 Repentance. Repentance is the decision to turn away from sin in every area of our lives and committing to follow Christ. This allows us to receive His redemption and to be regenerated by the Holy Spirit. Through repentance we receive forgiveness of sins and appropriate salvation (Acts 2:21, 3:19; I John 1:9).

2.9 Sanctification. Sanctification is the ongoing process of yielding to God's Word and His Spirit in order to complete the development of His character in us. It is by the ministry of the Holy Spirit and the Word of God that the Christian is enabled to live a Godly life (I Thessalonians 4:3, 5:23; II Corinthians 3:18, 6:14-18, II Thessalonians 2:1-3, Romans 8:29, 12:1-2, Hebrews 2:11).

2.10 The Blood of Jesus. The Blood that Jesus shed on the Cross was sinless and is the only thing that could cleanse mankind of all sin. Jesus allowed Himself to be punished for both our sinfulness and our sins, enabling all those who believe to be free from the penalty of sin, which is death (I John 1:7; Revelation 1:5, 5:9; Colossians 1:20; Romans 3:10-12, 23, 5:9; John 1:29).

2.11 Jesus Christ Indwells All Believers. Christians are people who have invited the Lord Jesus Christ to come and live inside them by His Holy Spirit. They relinquish the authority of their lives over to him thus making Jesus the Lord of their life as well as Savior. They put their trust in what Jesus accomplished for them when He died, was buried, and rose again from the dead (John 1:12; John 14:17, 23; John 15:4; Romans 8:11; Revelation 3:20).

2.12 Baptism in the Holy Spirit. The Holy Spirit (third person of the trinity) was given at Pentecost, is the promise of the Father, sent by Jesus after His Ascension, to empower the Church to preach the Gospel throughout the whole earth (Joel 2:28-29; Matthew 3:11; Mark 16:17; Acts 1:5,2:1-4, 17, 38-39, 8:14-17, 10:38, 44-47, 11:15-17, 19:1-6).

2.13 The Gifts of the Holy Spirit. The Holy Spirit is manifested through a variety of spiritual gifts to build and sanctify the church, demonstrate the validity of the resurrection, and confirm the power of the Gospel. The Bible's lists of these gifts are not necessarily exhaustive, and the gifts may occur in various combinations. All believers are commanded to earnestly desire the manifestation of the gifts in their lives. These gifts always operate in harmony with the Scriptures and should never be used in violation of Biblical parameters. Not possessing a specific gift does not make you any less of a Christian as some are led to believe. (Hebrews 2:4; Romans 1:11, 12 :4-8; Ephesians 4:16; I Timothy 4:14; II Timothy 1:6-7; I Corinthians 12:1-31, 14:1-40; I Peter 4:10).

2.14 The Church. The church is the Body of Christ, the habitation of God through the Spirit, with divine appointments for the fulfillment of Jesus' Great Commission. Every person who is born of the Spirit is an integral part of the church as a member of the body of believers. There is a spiritual unity of all believers in our Lord Jesus Christ. (Ephesians 1:22, 2:19-22; Hebrews 12:23; John 17:11, 20-23).

2.15 Sacraments. There are two sacraments holy to the church.

a. Water Baptism: Following faith in the Lord Jesus Christ, the new convert is commanded by the Word of God to be baptized in water in the Name of the Father and of the Son and of the Holy Spirit (Matthew 28:19; Acts 2:38; Mark 16:16; Acts 8:12, 36-38; 10:47-48).

b. The Lord's Supper: A unique time of communion in the presence of God when the elements of bread and grape juice (the Body and Blood of the Lord Jesus Christ) are taken in remembrance of Jesus' sacrifice on the Cross (Matthew 26:26-29; I Corinthians 10:16, 11:23-25).

2.16 Healing of the Sick. Healing of the sick is illustrated in the life and ministry of Jesus and included in the commission of Jesus to His disciples. It is given as a sign, which is to follow believers. It is also a part of Jesus' work on the Cross and one of the gifts of the Spirit. (Psalm 103:2-3; Isaiah 53:5; Matthew 8:16-17; Mark 16:17-18; Acts 8:6-7; James 5:14-16; I Corinthians 12:9, 28; Romans 11:29).

2.17 God's Will for Provision. It is the Father's will for believers to become whole, healthy and successful in all areas of life. But because of the fall, many may not receive the full benefits of God's will while on Earth. That fact, though, should never prevent all believers from seeking the full benefits of Christ's provision in order to better serve others.

- a. Spiritual (John 3:3-11; II Corinthians 5:17-21; Romans 10:9-10)
- b. Mental and Emotional (II Timothy 1:7, 2:11; Philippians 4:7-8; Romans 12:2; Isaiah 26:3)
- c. Physical (Isaiah 53:4,5; Matthew 8:17; I Peter 2:24)
- d. Financial (Joshua 1:8; Malachi 3:10-11; Luke 6:38; II Corinthians 9:6-10; Deuteronomy 28:1-14; Psalm 34:10, 84:11; Philippians 4:19)

2.18 Resurrection. Jesus Christ was physically resurrected from the dead in a glorified body three days after His death on the cross. In addition, both the saved and the lost will be resurrected; they that are saved to the resurrection of life and they that are lost to the resurrection of eternal damnation (Luke 24:16, 36, 39; John 2:19-21, 20:26-28, 21:4; Acts 24:15; I Corinthians 15:42, 44; Philippians 1:21-23, 3:21).

2.19 Heaven. Heaven is the eternal home for all believers in the Gospel of Jesus Christ (Matthew 5:3, 12, 20, 6:20, 19:21, 25:34; John 17:24; II Corinthians 5:1; Hebrews 11:16; I Peter 1:4).

2.20 Hell. After living one life on earth, the unbelievers will be judged by God and sent to Hell where they will be eternally tormented with the Devil and the Fallen Angels (Matthew 25:41; Mark 9:43-48; Hebrews 9:27; Revelation 14:9-11, 20:12-15, 21:8).

2.21 Second Coming. Jesus Christ will return to earth for the second time to establish His Kingdom. The time of this will occur at a date undisclosed by the Scriptures (Matthew 24:30, 26:63-64; Acts 1:9-11; I Thessalonians 4:15-17; II Thessalonians 1:7-8; Revelation 1:7).

2.22 Statement of Marriage. We believe that because God our Creator established marriage as a sacred institution between one man and one woman, the idea that marriage is a covenant only between one man and one woman has been the traditional definition of marriage for all of human history ("Traditional Definition of Marriage"). Because of the longstanding importance of the Traditional Definition of Marriage to humans and their relationships and communities, and, most importantly, the fact that God has ordained that marriage be between one biologically born man and one biologically born woman, as clearly conveyed in God's inerrant Scriptures, including for example in Matthew 19:4-6 where in speaking about marriage Jesus referred to the fact that "he which made them at the beginning made them male and female," the Church hereby creates this policy, which shall be known as the "Marriage Policy."

Under this Church's Marriage Policy, the Traditional Definition of Marriage is the only definition of marriage that will be recognized or accepted. No elder, officer, employee, servant, agent, or any person, corporation, organization, or entity under the direction or control of this Church shall commit any act or omission, or make any decision whatever, that would be

inconsistent with, or that could be perceived by any person to be inconsistent with, full support of this Church's Marriage Policy and strict adherence to the Traditional Definition of Marriage rather than any alternative to the Traditional Definition of Marriage.

This Church's Marriage Policy specifically prohibits acts or omissions including but not limited to permitting any Church assets or property, whether real property, personal property, intangible property, or any property or asset of any kind that is subject to the direction or control of the Church, to be used in any manner that would be or could be perceived by any person to be inconsistent with this Church's Marriage Policy or the Traditional Definition of Marriage, including but not limited to permitting any church facilities, owned or rented, to be used by any person, organization, corporation, or group that would or might use such facilities to convey, intentionally or by implication, what might be perceived as a favorable impression about any definition of marriage other than the Traditional Definition of Marriage.

We believe this Church's Marriage Policy is based upon God's will for human life as conveyed to us through the Holy Scriptures, upon which this Church has been founded and anchored, and this Marriage Policy shall not be subject to change through popular vote; referendum; prevailing opinion of members or the general public; influence of or interpretation by any government authority, agency, or official action; or legal developments on the local, state, or federal level.

### **ARTICLE 3 GENERAL PROVISIONS**

3.1 **Autonomy.** The Church is autonomous and maintains the right to govern its own affairs, independent of any denominational control. Recognizing, however, the benefits of cooperation with other Churches in world missions and otherwise, this Church may voluntarily affiliate with any Churches of like faith.

3.2 **Purposes.**

The Church is formed for any lawful purpose or purposes not expressly prohibited under the Law. The Church is organized and shall be operated exclusively for religious, charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, the Church's purposes also include the limited participation of the Church in any other activities, including taxable activities, but only to the extent the activities would be permitted by a tax-exempt organization. More particularly, but without limitation, the purposes of this Church are to:

- Minister the Word of God;
- Conduct regular religious worship services through various forms of ministries;
- Promote and encourage, through ministries of the Church, cooperation with other organizations ministering within the community;
- Spread the Word of the Gospel by ministering to all through seminars, radio, television, and other forms of mass media;
- Conduct a local and international Church by the direction of the Lord Jesus Christ and under the leadership of the Holy Spirit in accordance with all the provisions as set forth in the Bible;
- Maintain local Church and missionary facilities to propagate the gospel of Jesus Christ both at home and in foreign lands and to support and send missionaries throughout the world;
- Conduct a school for ministers and leaders;
- License and ordain qualified individuals including graduates of ministerial schools;
- To collect and disburse any and all necessary funds for the maintenance of the Church and the accomplishment its purpose within the State of Texas and elsewhere around the world; and
- To make distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended.

The Church is also organized to promote, encourage, and foster any other similar religious, charitable and educational activities; to accept, hold, invest, reinvest and administer any gifts, legacies, bequests, devises, funds, and property of any sort or nature, and to use, expend, or donate the income or principal thereof for, and to devote the same to, the foregoing purposes of the Church; and to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the purposes of this Church. Provided, however, no act may be performed which would violate Section 501(c)(3) of the Internal Revenue Code of 1986, as it now exists or as it may hereafter be amended.

### 3.3 Powers and Restrictions.

Except as otherwise provided in these Bylaws and in order to carry out the above-stated purposes, the Church shall have all those powers set forth in the Law, as it now exists or as it may hereafter be amended. Moreover, the Church shall have all implied powers necessary and proper to carry out its express powers. The powers of the Church to promote the purposes set out above are limited and restricted in the following manner:

(a) The Church shall not pay dividends and no part of the net earnings of the Church shall inure to the benefit of or be distributable to its organizers, trustees, officers or other private persons, except that the Church shall be authorized and empowered to make payments and distributions (including reasonable compensation for services rendered to or for the Church) in furtherance of its purposes as set forth in the Articles of Incorporation and these Bylaws. No substantial part of the activities of the Church shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Church shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of the Articles of

Incorporation or these Bylaws, the Church shall not carry on any other activities not permitted to be carried on by (i) a Corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, or (ii) a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

(b) In the event this Church is in any one year a "private foundation" as defined by Section 509(a) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws, it shall be required to distribute its income for such taxable year at such time and in such manner as not to subject the foundation to taxation under Section 4942 of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; and further shall be prohibited from: (i) any act of "self-dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; (ii) retaining any "excess business holdings" as defined by Section 4943(c) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws; (iii) making any investments in such manner as to subject the foundation to taxation under Section 4944 of the Internal Revenue Code of 1986, as amended, or corresponding provisions any subsequent federal tax laws; or (iv) making a taxable expenditures as defined in Section 4945(d) of the internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws.

(c) The Church shall not accept any gift or grant if the gift or grant contains major conditions that would restrict or violate any of the Church's religious, charitable, or educational purposes or if the gift or grant would require serving a private as opposed to a public interest.

#### **ARTICLE 4 GOVERNING BODY**

The Church is operated as a Corporation in accordance with Texas Business Corporation Code section 1.002(53) Nonprofit Corporation Law and, subject to the Law, its Articles of Incorporation, and these Bylaws. The Church is governed by its Board of Directors (hereinafter referred to as the "Trustees").

#### **ARTICLE 5 CHURCH MEMBERSHIP**

The Church's membership is open to all who profess their faith openly in our Lord Jesus Christ. There shall be one class of membership (hereinafter the "Members") and the Members shall all be people who faithfully contribute, through tithes and offerings, to the finances of the Church. Membership is granted and recognized once a person has completed the membership class and signed appropriate paperwork from membership class. The Trustees may, from time to time, adopt and amend the application procedures and qualifications for membership in the Church.

As set forth in Article 4, the corporate governance of the Church is solely vested in the Trustees. As set forth in Article 7, plenary power to oversee the spiritual affairs and the day-to day operations of the Church is vested with the Senior Pastor. As such, Members are not entitled to cast a vote in person, by proxy or otherwise that is binding upon the Church.

The Senior Pastor shall have the sole and exclusive authority to seek the membership's approval or disapproval of an action that Members would not otherwise be entitled to vote (hereinafter "vote of affirmation") upon. Should the Senior Pastor seek a vote of affirmation, the outcome of such vote carries no legal weight, is not binding on the Corporation and is only intended to gauge the opinion of or seek moral support from the membership.

## **ARTICLE 6 CHURCH GOVERNMENT**

The Church seeks to be led by the Holy Spirit in all things. The Senior Pastor, the Trustees, the Officers, the Overseers, and the Membership all have a certain role in the Church's government.

(a) Role of the Senior Pastor: The Senior Pastor has executive and supervisory control over and is ultimately responsible for both the spiritual and the corporate health of the Church, including communicating the ministry vision for and overseeing the day-to-day operations of the Church (as described in Article 7.)

(b) Role of the Trustees (Non-Staff Elders): The Trustees shall have the duties and responsibilities generally associated with and exercised by a corporate board and are to serve the Church by assuring compliance with the Church's management policies and procedures, by approving the annual budget and other major financial commitments of the Church (as described in Articles 4 and 8).

(c) Role of the Officers: The Officers are to serve the Church in accordance with those certain roles and responsibilities as may be determined from time to time by the Senior Pastor, the Trustees, or by such persons designated by the Trustees or Senior Pastor (as described in Article 10).

(d) Role of the Overseers (Apostolic Elders): The Overseers shall provide apostolic oversight to the Senior Pastor and are charged with protecting the Church through counsel, prayer, and if required, the discipline of the Senior Pastor (as described in Article 11).

(e) Role of the Members: The Members of the Church support the Senior Pastor in fulfilling his calling; influence the spiritual tone, strength and the direction of the body of believers (as described in Article 5).

**ARTICLE 7**  
**THE SENIOR PASTOR:**  
**PRESIDENT AND CHIEF EXECUTIVE OFFICER**

7.1 The Office of the Senior Pastor: Dual and Concurrent Responsibilities.

The Church finds its headship under the Lord Jesus Christ and in its Senior Pastor. The Senior Pastor shall have plenary authority over and shall be responsible for directing all of the ministries and spiritual activities of the Church. Concurrently, the Senior Pastor shall serve as the President and Chief Executive Officer of the Corporation and shall have plenary authority over and shall be responsible for directing all of the day-to-day business activities and operations of the Church.

Because the Church has two simultaneous and complimentary expressions: (1) the spiritual life of a body of believers (the Church); and (2) the corporate entity that houses the Church's functions and activities (the Corporation), it is the Senior Pastor that bridges the gap between these dual and concurrent expressions. The Senior Pastor is primarily responsible for the spiritual life of the Church, and at the same time, he must be in the position to insure the Church's corporate health and that its resources are directed toward the ministries he deems fit and in furtherance of the Church's best interests.

7.2 Duties and Responsibilities.

The Senior Pastor is responsible to lead the Church in accordance with Biblical principles to accomplish the New Testament purposes of the Church and his duties require that he:

- (a) Provide Biblical vision and direction for the congregation;
- (b) Serve as the leader of the Church body of believers, the Church staff, all church organizations, all Church ministries, the Trustees, and all Church Advisory Committees, with the exception of the Independent Compensation Committee, to accomplish the New Testament purposes of the Church;
- (c) Define and communicate the Church's purpose;
- (d) Administer and coordinate the day-to-day ministry to the congregation and administration and operations of the Church;
- (e) Appoint and remove Overseers;
- (f) Select individuals who will help to assist in the business operations of the Corporation;

(g) Hire, direct, oversee, and terminate Church staff as he deems necessary to help administrate the affairs of the Church;

(h) Endeavor to ensure that all official and duly authorized directives and corporate resolutions of the Trustees are properly carried out; and

(I) To do all things necessary and proper to fulfill the above-described leadership position and to fulfill all duties incident to the office of President and Chief Executive Officer of a corporation.

### 7.3 Senior Pastor's Spiritual Leadership.

In his role as Senior Pastor, he may work with the Trustees, the Overseers or anyone else serving in any five-fold ministry offices (as outlined in Ephesians 4:11-13) in any way that he determines is Biblical and consistent with these Bylaws, the Articles of Incorporation, and the Law. In addition, the Senior Pastor shall budget monies, hire staff, develop projects or ministry, and create small groups or other specialized ministries according to his convictions and Biblical understanding. He shall have the authority to appoint and approve anyone that can assist in what he deems necessary to properly carry out the work of the Church.

### 7.4 Senior Pastor's Responsibility for Worship Services.

The scheduling of worship times, the ordering of worship services, and the leadership of worship services, as well as all other uses of Church owned or rented facilities are to be determined by the Senior Pastor, or his designee. No person shall be invited to speak, teach, or minister at a service held in Church owned or rented facilities, or in the name of the Church, without the specific approval of the Senior Pastor, or his designee.

### 7.5 Senior Pastor's Role with Trustees.

The Senior Pastor shall serve as the Chairman of the Trustees. He shall call the meetings and determine the agenda for all Trustee meetings in consultation with the Trustees. The Senior Pastor shall have the exclusive right to make nominations of candidates from the Membership to serve as a Trustee and present his nominee to the Trustees (as described in Article 8.2).

### 7.6 Senior Pastor's Role in Administration.

The Senior Pastor, as the President and Chief Executive Officer of the Corporation, or his designee, shall have plenary authority over and shall be responsible for directing all of the day to-day business activities and operations of the Church.

The Senior Pastor shall be responsible for hiring, directing, disciplining, and dismissing staff members. The Senior Pastor, or his designee, shall, in accordance with IRS guidelines for nonprofit organizations, determine and establish salaries and pay scales for all salaried employees (excluding his salary and those of his family members). The Senior Pastor's, or his designee's, final determination of salaries and pay scales shall be reviewed and approved annually by the Independent Compensation Committee (as described in Article 9).

#### 7.7 Church Discipline regarding the Senior Pastor.

(a) **Criteria for Discipline of Senior Pastor.** Should the Senior Pastor engage in immoral conduct, improper financial practices, or espouse theological views or beliefs (hereinafter referred to as "pastoral misconduct") that may require discipline, then the Trustees, with an affirmative vote, shall contact the Senior Pastor and then, if necessary, the Overseers and request that the Overseer's undertake an investigation of all alleged incidents of pastoral misconduct and the evaluation of appropriate discipline, if warranted.

(b) **Process for Investigation and Disciplinary Action.** Should the Overseers be called upon to investigate pastoral misconduct, an affirmative vote of a majority of the total number of Overseers is required to initiate an investigation. Following the conclusion of the Overseer's investigation and the making of findings, an affirmative vote of a majority of the total number of Overseers is required to take disciplinary action against the Senior Pastor. Following such majority vote, the Overseers shall assume complete authority over the Senior Pastor's on going and future ministerial activities; the Overseers may undertake to discipline the Senior Pastor in any way deemed necessary; the Overseer's may vote to remove the Senior Pastor from his position of leadership or to terminate the Senior Pastor's employment with the Church. Otherwise, the Overseers shall have no authority in the normal life of the Church and then only as set forth in these Bylaws.

#### 7.8 Installation of New Senior Pastor.

(a) **The Confirmation Committee.** The Confirmation Committee shall have a role with regard to the confirmation of a new Senior Pastor (as described in Article 9).

(b) **Vacancy while the Senior Pastor is in Good Standing.** The Senior Pastor is in "Good Standing" if: (1) he is not under investigation by the Overseers or (2) he is not under discipline by the Overseers.

If a vacancy in the position of Senior Pastor occurs due to death, disability, resignation or other absence while the Senior Pastor is in Good Standing (as defined herein), then the outgoing Senior Pastor shall nominate a candidate to serve as the new Senior Pastor by way of a signed writing (or in a previously signed writing in the event of death) submitted to the Confirmation Committee for its review and consideration. The Confirmation Committee shall then submit the outgoing Senior Pastor's nominee for a vote by the Confirmation Committee. An affirmative vote

of two-thirds of the representatives then serving on the Confirmation Committee shall be required to confirm the selection of a new Senior Pastor of the Church. In the event that the Confirmation Committee does not confirm such nominee, the process shall be repeated until a nominee is confirmed as the new Senior Pastor. If the outgoing Senior Pastor is unable or unwilling to nominate a candidate for the position of new Senior Pastor, then the Overseers shall nominate a candidate under the same process described herein.

(c) Vacancy while the Senior Pastor is Not in Good Standing. The Senior Pastor is "Not in Good Standing" if: (1) he is under investigation by the Overseers or (2) he is undergoing discipline by the Overseers.

If a vacancy in the position of Senior Pastor occurs due to death, disability, resignation, or other absence while the Senior Pastor is in Not in Good Standing (as defined herein), then the Overseers shall nominate a candidate for the position of new Senior Pastor by an affirmative vote of one less than the total number of Overseers. The Overseer's shall submit to the Confirmation Committee its nominee for new Senior Pastor by way of a writing signed by the required number of Overseers. An affirmative vote of two-thirds of the representatives serving on the Confirmation Committee shall act to confirm the new Senior Pastor of the Church. In the event that the Confirmation Committee does not confirm such nominee the process described herein shall be repeated until a nominee is confirmed as the new Senior Pastor.

(d) Appointment of Interim Senior Pastor. If a vacancy in the position of Senior Pastor occurs due to death, disability, resignation or other absence while the Senior Pastor is Not in Good Standing (as defined herein), then the Overseers may appoint, by a vote of one less than the total number of Overseers then serving, an acting Interim Senior Pastor who shall serve until such time as a new Senior Pastor is nominated and confirmed by way of the process set forth herein. The acting Interim Senior Pastor shall be eligible for nomination and confirmation as Senior Pastor as set forth herein. The Interim Senior Pastor shall not, during his service as Interim Senior Pastor, concurrently serve as an Officer, Trustee, or Overseer of the Church and shall not have any corporate rights, duties, or responsibilities to the Corporation.

## **ARTICLE 8 TRUSTEES**

### **8.1 General Powers and Authority of the Trustees.**

The term "Trustees" as used herein shall mean the Board of Directors as described in accordance with Chapter 1 of the Texas Business Organization Code. The Trustees shall have the duties and the responsibilities generally associated with and exercised by a corporate board and as such, are the only governing body within the Church. All corporate powers shall be exercised by or under the authority of the Trustees and in accordance with the Law and these Bylaws. Accordingly, the Trustees shall have the final authority solely over affairs pertaining to corporate matters of the Church.

The Trustees shall be responsible for the oversight of the Church's financial resources, including the acquisition and disposition of Church property (both real and personal). Further, the Trustees shall have the power:

- (a) To buy, sell, mortgage, pledge or encumber such real or personal property owned By the Church;
- (b) To cause or permit the Church to merge or transfer some or all of its assets to another qualified organization;
- (c) To cause or permit the Church to dissolve or otherwise liquidate its assets;
- (d) To cause or permit the Church to engage in any transaction, contract, agreement, or arrangement that is unrelated to the purposes of the Church;
- (e) To cause or permit the Church to enter into any financial commitment in excess of \$100,000.00 in the aggregate; and
- (f) To do all things necessary and proper to carry out the above-described general corporate powers and to fulfill all the duties incident to the role of Trustees of the Corporation.

## 8.2 Number, Qualifications, Appointment, Term, and Resignation or Removal of Trustees.

- (a) Number. There shall be not less than five (5) and no more than nine (9) Trustees.
- (b) Qualifications. Trustees shall not be employees of the Church, except for the Senior Pastor, nor shall they be related by blood or marriage to any other Trustee, the Senior Pastor, an Officer, except in the case of the Senior Pastors' spouse.
- (c) Election. The Senior Pastor shall have the exclusive right to nominate individuals whom he deems qualified to serve as a Trustee. A candidate for Trustee shall be elected by the affirmative vote of all remaining Trustees. The Senior Pastor's nomination of a new Trustee shall not exceed the rate of two (2) new candidate every six (6) months, except as in the case of a vacancy or vacancies causing the total number of Trustees to be less than five (5).

In the event of a Trustee vacancy, whether due to resignation or removal, the Senior Pastor shall be given a reasonable amount of time to nominate an individual he deems qualified in accordance with these Bylaws to serve as a Trustee in accordance with these Bylaws.

- (d) Term. The term of office for all Trustees other than Senior Pastor shall be one (1) year; however, such Trustees may serve consecutive terms without limitation.

(e) Resignation or Removal. Any Trustee may resign at any time by giving written notice to the Church. Such resignation shall take effect on the date of the receipt of such notice and acceptance of such resignation shall not be necessary to make it effective.

The Senior Pastor may, upon written notice, remove Trustees with or without cause, but at a rate that does not exceed two (2) removal every six (6) months. If a vacancy in the position of Senior Pastor occurs, for any reason, then the individual duly elected as the Corporation's Secretary/Treasurer may nominate or remove Trustees, subject to the same limitations that would otherwise apply to nominations and dismissals of Trustees by the Senior Pastor. If a vacancy in both the Senior Pastor and the Secretary/Treasurer position occurs, then the Trustees shall nominate and elect new Trustees until one or more of the positions are filled.

### 8.3 Chairman of the Trustees.

The Senior Pastor shall serve and preside as the Chairman of the Trustees, shall call the Trustee meetings and shall determine the agenda for all meetings. If the Senior Pastor's attendance is impossible, then the Church's Secretary/Treasurer shall serve as Chairman. If neither the Senior Pastor nor the Secretary/Treasurer is able to attend the meeting, then the Trustees contact a member of the Overseers to serve as chairman and proceed in order, keeping minutes of their actions for the corporate record. Any resolutions passed during a Trustee meeting without the Senior Pastor or the Secretary/Treasurer present shall not take effect until the next properly called Trustee's meeting when either the Senior Pastor or the Secretary/Treasurer is present and the minutes of the prior meeting are put forward for approval by the Trustees and included in the corporate record book.

### 8.4 Meetings.

#### (a) Regular or Special meetings.

Regular or Special meetings of the Trustees may only be held either within or outside the State of Texas but shall be held at the Church's registered office in Texas if the notice thereof does not specify the location of the meeting. A regular or special meeting may be held at any place consented to in writing by all of the Trustees, either before or after the meeting. If such consents are given, they shall be filed with the minutes of the meeting.

#### (b) Telephonic Meetings.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, including video conferencing, so long as all Trustees participating in the meeting can simultaneously hear one another and participate. All Trustees shall be deemed to be present in person at a meeting conducted in accordance with the foregoing sentence.

#### (c) Notice Requirements for Regular or Special Meetings.

A regular meeting of the Trustees shall occur at least annually. Regular meetings of the Trustees may be held without notice if the time and place of such meetings are fixed by a resolution of the Trustees.

The Senior Pastor or, any three (3) of the Trustees, only with approval of Overseers, may call a special meeting of the Trustees.

The Notice of Special Meetings shall include:

(1) Manner of Giving Notice. Notice of the date, time and place of special meetings shall be given to each Trustee by one of the following methods: (a) by personal delivery of written notice; (b) by first class mail, postage paid; (c) by telephone communication, either directly to the Trustee or to a person at the Trustee's office or home who the person giving the notice has reason to believe will promptly communicate the notice to the Trustee; (d) by faxed telecopy to the Trustee's office or home; or (e) by electronic mail ("e-mail"); or text message.

(2) Time Requirements. Notice sent by first class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telecopy or e-mail shall be delivered, telephoned, faxed, e-mailed or texted to the Trustee or given at least twenty-four (24) hours before the time set for the meeting.

(3) Notice Contents. The notice shall state the date, time and place for the meeting. However, the notice does not need to specify the place of the meeting if the special meeting is to be held at the Church's principal office. Unless otherwise expressly stated herein, the notice does not need to specify the purpose or the business to be transacted at the special meeting.

(4) Waiver. Attendance of a Trustee at a meeting shall constitute waiver of notice of such meeting, except where the Trustee attends a meeting for the express purpose of objecting that the meeting is not properly called.

#### 8.5 Action of Trustees Without a Meeting.

Any action required or permitted to be taken by the Trustees may be taken without a meeting, if all of the Trustees, individually, or collectively, consent in writing to the action. Such action by written consent or consents shall be filed with the minutes of the proceedings of the Church. If action is taken by writing in email, replies must be "reply all."

## 8.6 Quorum.

Unless otherwise provided for in these Bylaws, a majority of the number of Trustees then in office shall constitute a quorum for the transaction of business at any meeting of the Trustees. The Trustees present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Trustees leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Trustees in attendance required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Trustees present may adjourn and reconvene the meeting one time without further notice.

## 8.7 Proxies. Voting by proxy is prohibited.

## 8.8 Duties of Trustees of the Corporation.

The Trustees of the Corporation shall discharge their duties, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Church. The Trustees of the Corporation 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 were prepared or presented by a variety of persons, including Officers, employees of the Church, professional advisors or experts such as accountants or legal counsel. A Trustee of the Corporation is not relying in good faith if the individual has knowledge concerning a matter in question that renders such reliance unwarranted.

The Trustees, despite the use of the word, shall not have the powers and/or duties of a "Trustee of a trust" (as that term is generally understood in the law of Trusts), 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.

## 8.9 Delegation of Duties.

The Trustees, in consultation with the Senior Pastor, are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Church; 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. Trustees shall have no personal liability for actions taken or omitted by the advisor if the Trustees act in good faith and with ordinary care in selecting the advisor. The Trustees may, in consultation with the Senior Pastor, remove or replace the advisor at any time, with or without cause.

## 8.10 Interested Parties.

Pursuant to the Law and the provisions of Article 18 below, a contract or transaction between the Church and a Trustee of the Church is not automatically void or voidable simply because the Trustee, an employee or other control party, has a financial interest in the contract or transaction.

#### 8.11 Actions of Trustees.

The Trustees shall try to act by consensus. However, if action by consent is impossible or unless the act of a greater number is required by the Law or these Bylaws, then the vote of a majority of the Trustees present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Trustees. A Trustee who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Trustees. The burden is on each individual Trustee to ensure their votes are properly recorded in the minutes as either a "yes," "no," or "abstain."

In the event of a vote of the Trustees resulting in a deadlock, the Senior Pastor shall be entitled to cast a "majority ballot" breaking the deadlock so that an official act or decision may be undertaken by the Trustees.

#### 8.12 No Compensation.

The Trustees shall not receive any compensation in exchange for services rendered as a Trustee. The Trustees may however, adopt a resolution providing for reimbursement to Trustees for reasonable expenses incurred as a result of attendance at a meeting of the Trustees.

## **ARTICLE 9 COMMITTEES AND ADVISORY TEAMS**

#### 9.1 Establishment of Committees and Advisory Teams.

The Senior Pastor and Trustees may, at its discretion, adopt a resolution establishing one or more Committees or Advisory Committees. Any and all Advisory Committees shall conform to rules established by the Trustees.

#### 9.2 Independent Compensation Committee.

An Independent Compensation Committee shall be established annually by the Board of Trustees and shall consist of a minimum of three (3) independent Overseers and a minimum of one (1) independent Trustees. An individual is considered to be "Independent" if the individual does not

have a conflict of interest that would otherwise disqualify them from serving on this Committee. A conflict of interest arises when a person in a position of authority over the Church (such as an Officer, Director, Trustee, Overseer or employee) and can benefit financially from a decision made in such a capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

The Independent Compensation Committee shall determine and approve, by a majority vote, the Senior Pastor's and any of the Senior Pastor's family members' total compensation amounts. The Independent Compensation Committee may consider duties, performance evaluations, compensation comparability data, and other relevant information to assist it in ensuring the amount of total compensation paid to each individual is reasonable and in compliance with current IRS guidelines for nonprofit organizations. The Senior Pastor shall not participate in the Independent Compensation Committee's discussion and formulation of or vote regarding his salary and benefits, or any family member's salary or benefits.

#### 9.4 Confirmation Committee.

The Confirmation Committee shall be made up of the Trustee Team and the Overseers.

#### 9.5 Delegation of Authority.

Each Committee shall consist of two or more persons. If, in addition to the Independent Compensation Committee, the Trustees establish or delegate any of its authority to a Committee, it shall not relieve the Trustees, or Trustee, of any responsibility imposed by these Bylaws or otherwise imposed by law. The Trustees shall define by resolution the activities and scope of authority and the qualifications, in addition to those set forth herein, for membership on all Committees.

No Committee shall have the authority to: (a) amend the Articles of Incorporation; (b) adopt a plan of merger or a plan of consolidation with another Church; (c) authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Church; (d) authorize the voluntary dissolution of the Church; (e) revoke proceedings for the voluntary dissolution of the Church; (f) adopt a plan for the distribution of the assets of the Church; (g) amend, alter, or repeal the Bylaws; (h) elect, appoint, or remove a member of a Committee or a Trustee or officer of the Church; (i) approve any transaction to which the Church is a party and that involves a potential conflict of interest as defined in Article 18 below; or j) take any action outside the scope of authority delegated to it by the Trustees or in contravention of the Law.

The Trustees may designate various Advisory Teams not having or exercising the authority of the Trustees. Such Advisory Teams shall only function in an advisory capacity to the Trustees. The Senior Pastor shall have the power to appoint and remove members of all Advisory Teams. With the exception of the Independent Compensation Committee and Confirmation Committee, the

Senior Pastor shall serve as an ex officio member of all Advisory Teams. The Trustees shall define, by resolution, the scope of activities and the qualifications for membership on all Advisory Teams.

#### 9.6 Term of Office.

Each member of a Committee or Advisory Team shall serve until the next annual meeting of the Board of Directors, or until a successor is appointed. However, the term of any Committee or Advisory Team member may terminate earlier if the Committee or Advisory Team is terminated by the Senior Pastor or Trustees, or if the member dies, ceases to qualify, resigns, or is removed as a member of the Church. A vacancy on a Committee or Advisory Team may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a Committee or Advisory Team shall serve for the unexpired portion of the terminated Committee member's term.

#### 9.7 Chair and Vice-Chair.

Unless otherwise expressly stated herein, one member of each Committee or Advisory Team shall be designated as the chair, and another member shall be designated as the vice-chair. The chair and vice-chair of each Committee and Advisory Team shall be appointed by the Senior Pastor with consultation from the outgoing chairman. The chair shall call and preside at all meetings. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

#### 9.8 Quorum.

One half the number of members of a Committee or Advisory Team shall constitute a quorum for the transaction of business at any meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

#### 9.9 Actions.

Committees and Advisory Teams shall try to take action by consensus. However, the vote of a majority of members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Committee or Advisory Team unless the act of a greater number is required by law or the Bylaws. A member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the Committee or Advisory Team.

## **ARTICLE 10 OFFICERS**

### 10.1 Number, Appointment, Term, and Resignation or Removal of Officers.

(a) Number. The Officers of the Corporation shall be a President (as described in Article 7), a Secretary/Treasurer and any other Officers chosen at the discretion of the Senior Pastor.

(b) Appointment to and Creation of New Offices. The President shall be appointed in accordance with requirements set forth under Article 7.

The Secretary and/or Treasurer is to be nominated by the President and approved by a majority vote of the Trustees. In the event the Trustees should not approve the President's nomination for Secretary/Treasurer, other nominations must be made by the President until the candidate is approved by a majority vote of the Trustees. In the event that the President is unwilling or unable to nominate a Secretary/Treasurer, then the Trustees shall nominate a Secretary/Treasurer and approve such nominee by a majority vote of the Trustees.

The President shall appoint all other Officers of the Church. In the event that the President is unwilling or unable to nominate an Officer, then the Trustees shall nominate an Officer and approve such nominee by a majority vote of the Trustees.

(c) Term. The Senior Pastor shall be the President until he resigns or is removed in accordance with Article 7 and a new Senior Pastor is installed in accordance with Article 7. The term of office for all officers other than Senior Pastor shall be one (1) year; however, such Officers may serve consecutive terms without limitation. In the event of a vacancy in the office of Senior Pastor, the Trustees shall, by majority vote, elect a Trustee to serve as the acting President

(d) An Officer may resign at any time by giving written notice to the Church. Such resignation shall take effect on 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.

(e) All other Church Officers may be removed with or without notice, and with or without cause, by the unilateral action of the Senior Pastor or by a majority vote of the Trustees.

## 10.2 Powers of Officers.

(a) President. The duties and responsibilities of the President are listed in Article 7 above.

(b) Treasurer. The Senior Pastor shall appoint the Treasurer of the Church. The Treasurer of the Church shall: (a) have charge and custody of and be responsible for all funds and securities of the Church; (b) receive and give receipts for monies due and payable to the Church from any source; (c) deposit all monies in the name of the Church in banks, trust companies, or other depositories as provided in the Bylaws or as directed by the Trustees; (d) write checks and disburse funds to discharge obligations of the Church; (e) maintain the financial books and records of the Church; (f) prepare financial reports at least annually; (g) perform other duties as assigned by the Senior Pastor or by the Trustees; (h) if required by the Trustees, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Trustees; and (i) perform all of the duties incident to the office of treasurer. An individual serving as Treasurer shall not be authorized to serve in a dual capacity as both President and Treasurer.

(c) Secretary. The Senior Pastor shall appoint the Secretary of the Church. The Secretary of the Church shall: (a) give all notices as provided in the Bylaws or as required by law; (b) take minutes of the meetings of the members and of the Trustees and keep the minutes as part of the corporate records; (c) maintain custody of the corporate records and of the seal of the Church; (d) affix the seal of the Church to all documents as authorized; (e) keep a register of the mailing address of each Trustee, Officer, Overseer, church member and employee of the Church; (f) perform duties as assigned by the Senior Pastor or by the Trustees; and (g) perform all duties incident to the office of secretary. An individual serving as Secretary shall not be authorized to serve in a dual capacity as both President and Secretary.

## 10.3 Duties of Officers of the Corporation.

The Officers of the Corporation shall discharge their duties, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Church. The Officers of the Corporation 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 were prepared or presented by a variety of persons, including Trustees, Officers, employees of the Church, professional advisors or experts such as accountants or legal counsel. An Officer of the Corporation is not relying in good faith if the individual has knowledge concerning a matter in question that renders such reliance unwarranted.

## **ARTICLE 11 OVERSEERS**

### 11.1 Requirements and Biblical Qualifications to Be an Overseer.

The members of the Overseers shall be ordained pastors at respected congregations or who have retired as such and those who know and love the Church and its Senior Pastor. They must agree to make themselves available, at their own expense, to serve the Church when requested.

Biblical qualifications for Overseers shall be: "Now the overseer must be above reproach, the husband of but one wife, temperate, self-controlled, respectable, hospitable, able to teach, not given to drunkenness, not violent but gentle, not quarrelsome, not a lover of money. He must manage his own family well and see that his children obey him with proper respect. (If anyone does not know how to manage his own family, how can he take care of God's Church?) He must not be a recent convert, or he may become conceited and fall under the same judgment as the devil. He must also have a good reputation with outsiders, so that he will not fall into disgrace and into the devil's trap." (1 Timothy 3:2-7).

### 11.2 Responsibilities of Overseers.

The Overseers shall provide apostolic oversight to the Senior Pastor and are charged with protecting the Church through counsel, prayer, and when required, the investigation of alleged pastoral misconduct, as defined herein in Article 7.7(a), and if any, the resulting discipline of the Senior Pastor, up to and including his removal as set forth in Article 7.

### 11.3 Number, Appointment, and Term of Overseers.

There shall be no less than three (3) Overseers. So long as the Senior Pastor is in Good Standing (as defined in Article 7 herein), Overseers shall be appointed by the Senior Pastor at a rate that does not exceed one (1) new Overseer per year. The term of service for each Overseer shall continue until he resigns, is deceased, or is removed in accordance with these Bylaws.

### 11.4 Resignation, Removal and/or Appointment of New Overseers.

An Overseer may resign at any time by giving written notice to the Church. Such resignation shall take effect on the date of the receipt of such notice; and, the acceptance of resignation shall not be necessary to be effective.

The Senior Pastor may remove Overseers, with or without notice and with or without cause, but at a rate that does not exceed one (1) removal per year. The Senior Pastor may remove Overseers at a rate of more than one (1) removal per year only upon confirmation by a majority vote of the Overseers.

In the event of a vacancy by an Overseer that causes the total number of Overseers to be less than three (3), the Senior Pastor shall be given a reasonable amount of time to appoint a new Overseer.

If disciplinary action is being considered or an investigation of the Senior Pastor is underway, no changes in the composition of the Overseers shall be made until the Overseer's work is completed and such findings are reported to the Trustees.

## **ARTICLE 12 BUSINESS PRACTICES**

### 12.1 Fiscal Year.

The fiscal year of the Corporation shall be the calendar year.

### 12.2 Contracts.

The Trustees may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or may be confined to specific instances.

### 12.3 Checks, Drafts, or Orders.

All checks, drafts, and orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Trustees. In the absence of such determination by the Trustees, either the Secretary/Treasurer or the President of the Corporation in accordance with their duties outlined in these Bylaws may sign such instruments.

### 12.4 Deposits.

All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Trustees may select in accordance with these Bylaws.

### 12.5 Gifts.

The President may accept on behalf of the Corporation any contribution, gift, bequest or device for any purpose of the Corporation.

## 12.6 Books and Records.

The Corporation shall keep correct and complete books and records and shall also keep minutes of the proceedings of its members, Trustees, committees having and exercising any of the authority of the Trustees, and any other committee, and shall keep at the principle office a record giving the names and addresses of all Trustees members entitled to vote.

## 12.7 Annual Budgeting Process

The President shall prepare and put forward a proposed annual budget of the Church for the Trustees consideration and approval. The total amount of the annual budget shall not exceed 90% of the previous year's total amount of undesignated income. The President shall be responsible for allocating the expenditures contained in the annual budget. The Trustees will approve the final budget.

## 12.8 Financial Statements

The Church shall have an annual financial statement of the Church reviewed by the Trustees.

# **ARTICLE 13 INDEMNIFICATION**

## 13.1 Indemnification.

To the full extent permitted by the Law, as amended from time to time, the Church shall indemnify any Trustee, Director, Pastor, Officer, Overseer, committee member, employee, or agent of the Church who was, is, or may be named a 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. The Church in defending such actions may advance reasonable expenses.

## 13.2 Determination of Right.

Legal counsel selected by the majority vote of the Trustees shall make a determination of the right to indemnification under the Law.

# **ARTICLE 14 MINISTERIAL ORDINATION**

## 14.1 Minister Ordination, Licensing, and the Commissioning of Ministers of the Gospel.

(a) Role of the Senior Pastor. The Senior Pastor may ordain, license or commission a person as a minister of the Gospel after first examining the applicant's background, moral and religious character, and previous Bible courses and/or independent studies completed. The Senior Pastor will set the determining factors and approval process for all applicants.

(b) Application. Application for ordination, licensing, or commissioning a person, as a minister of the Gospel shall be on the form provided by the Church. An application shall be either approved or denied within ninety (90) days of completing the process set forth by the Church as defined in this Article 15. Those applicants who are approved shall receive a certificate evidencing the approval.

(c) Ability to Limit Church. The Senior Pastor may, at his own discretion, limit ordained, licensed, and commissioned ministers to a specific area of special Church emphasis.

(d) For purposes of Section 107 of the Internal Revenue Code, there shall be no distinction between Licensing and Ordination.

#### 14.2 Church Training.

The Senior Pastor and his staff may establish a School of Church, setting forth a prescribed curriculum and course of study leading to ordination and licensing of ministers. The School of Church shall prepare students in the knowledge of the Word of God and in ministering to people's needs through the Gospel of Jesus Christ.

### **ARTICLE 15 DISSOLUTION**

#### 15.1 Dissolution and Distribution of Property.

The Church shall hold, own, and enjoy its own personal and real property, without any right of reversion to another entity, except as provided in these Bylaws.

"Dissolution" means the complete disbanding of the Church so that it no longer functions as a congregation or as a corporate entity. Upon the dissolution of the Church, its property shall be applied and distributed as follows: (1) all liabilities and obligations of the Church shall be paid and discharged, or adequate provision shall be made therefore; (2) assets held by the Church upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements; (3) assets received and not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future

United States Internal Revenue Law or the corresponding provision of any foreign jurisdiction in the case of a foreign corporation), and are engaged in activities substantially similar to those of the Church; this distribution shall be done pursuant to a plan adopted by the Trustees; and (4) any assets not otherwise disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Church is then located, for such purposes and to such organizations as said court shall determine, provided such organizations are in agreement with the Church's Statement of Faith and basic form of government.

## **ARTICLE 16 CONFLICT OF INTEREST POLICY**

### 16.1 Purpose.

The purpose of the conflict of interest policy is to protect the Church's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee or officer of the Church, or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations and is not intended as an exclusive statement of responsibilities.

### 16.2 Definitions.

(a) Interested Person. Any Trustee, principal officer, or member of a committee with powers delegated by the Trustees, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(1) An ownership or investment interest in any entity with which the Church has a transaction or arrangement.

(2) A compensation arrangement with the Church or with any entity or individual with which the Church has a transaction or arrangement; or

(3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Church is negotiating a transaction or arrangement.

(4) Compensation includes direct or indirect remuneration, as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest.

### 16.3 Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given opportunity to disclose all material facts to the Trustees.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Trustees' meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Trustees shall decide if a conflict of interest exists.

### 16.4 Procedures for Addressing the Conflict of Interest.

(a) An interested person may make a presentation at the Trustees' meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The chairman of the Trustees may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(d) After exercising due diligence, the Trustees shall determine whether the Church can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(e) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Trustees shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Church's best interests, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision whether to enter into the transaction or arrangement.

### 16.5 Violations of the Conflicts of Interest Policy.

(a) If the Trustees have reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Trustees determine the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### 16.6 Records of Proceedings.

The minutes of the Trustees shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Trustee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### 16.7 Compensation.

(a) A Trustee who receives compensation, directly or indirectly, from the Church for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Church for services is precluded from voting on matters pertaining to that member's compensation.

(c) No Trustee or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Church, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **ARTICLE 17 MISCELLANEOUS PROVISIONS**

#### 17.1 Construction of Bylaws.

These Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws. Wherever the context requires, all words in the Bylaws in the male,

female or neuter genders shall be deemed to include the other genders, all singular words shall include the plural, and all plural words shall include the singular.

#### 17.2 Seal.

The Trustees may provide for a corporate seal.

#### 17.3 Power of Attorney.

A person may execute any instrument related to the Church by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Church to be kept with the Church records.

#### 17.4 Parties Bound.

The Bylaws shall be binding upon and inure to the benefit of the Church Members, Pastors, Trustees, Officers, Overseers, employees, and agents of the Church and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

#### 17.5 Christian Alternative Dispute Resolution.

In keeping with 1 Corinthians 6:1-8, all disputes which may arise between any member of the Church and the Church itself, or between any member of the Church and any Pastor, Trustee, Overseer, Elder, Director, officer, employee, volunteer, agent, or other member of this Church, shall be resolved by mediation, and if not resolved by mediation, then by binding arbitration under the procedures and supervision of the Rules of Procedure for Christian Conciliation, Institute for Christian Conciliation. In the event that this group ceases to exist during the course of this Agreement, arbitration under this section shall be conducted according to the rules of the American Arbitration Association. Judgment upon an arbitration award may be entered in any court otherwise having jurisdiction. The parties each agree to bear their own costs related to any mediation or arbitration proceeding including payment of their own attorneys' fees. Either party may file a motion seeking temporary injunctive relief from a court of competent jurisdiction in order to maintain the status quo until the underlying dispute or claim can be submitted for mediation or arbitration.

If a dispute may result in an award of monetary damages that could be paid under a Church insurance policy, then use of the conciliation, mediation, and arbitration procedure is conditioned on acceptance of the procedure by the liability insurer of the Church and the insurer's agreement to honor any mediation, conciliation or arbitration award up to any applicable policy limits. The mediation, conciliation, and arbitration process is not a substitute for any disciplinary process set forth in the Bylaws of the Church, and shall in no way affect the authority of the Church to investigate reports of misconduct, to conduct hearings, or to administer discipline of members.

**ARTICLE 18  
AMENDMENT OF BYLAWS**

Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted at any regular meeting of the Trustees by the affirmative vote of two-thirds (2/3) of the Trustees. At least five (1) days written advance notice of said meeting shall be given to each Trustee. In the written notice, proposed changes must be explained. These Bylaws may also be altered, amended, or repealed and new Bylaws may be adopted by consent in writing signed by all of the Trustees.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting secretary of Hill Country Transformation Church and that the foregoing Bylaws constitute the Bylaws of the Church. These Bylaws were duly adopted by an affirmative vote of the Church Board dated \_\_\_\_\_, 2023.

DATED: \_\_\_\_\_, 2023.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Secretary