



GRACE
INTERNATIONAL

Constitution and By-Laws

I do hereby certify that this is the most current copy of the Constitution and By-Laws for Grace International Churches and Ministries, Inc.

Signed this 28th day of July, 2010

A handwritten signature in black ink, appearing to read 'Lee S. Johnson', written over a horizontal line.

Lee S. Johnson
Corporate Secretary

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CONSTITUTION and BY-LAWS
OF
GRACE INTERNATIONAL CHURCHES AND MINISTRIES, INC.

CONSTITUTION

Article I

NAME

The name of this corporation is Grace International Churches and Ministries, Inc.

Article II

LOCATION

The principal office of this corporation is located in Harris County, Texas.

Article III

DURATION

This corporation shall continue and exist perpetually unless it is dissolved or its existence is otherwise terminated under the provisions of law. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the corporation, dispose of all 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, religious, or scientific 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 provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the court of the county in which the principal office of the corporation is located, exclusively for such purpose or to such organization or organizations as the court shall determine which are organized and operated exclusively for such purposes.

Article IV

NOT FOR PROFIT

This corporation is an association of ministers and churches, incorporated exclusively for religious purposes. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions furtherance of the purposes set forth in these articles. No substantial part of the activities of the corporation shall be the carrying on of lobbying, propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any further United States Internal Revenue Law) or (b) by a corporation's contributions of which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

No discrimination shall be made on the basis of race, gender, or ethnic origin.

Article V

PURPOSE

The purposes of the Grace International Churches and Ministries, Inc. are:

- A. To provide oversight to the ministers and churches of the association as they pursue their vision and Biblical mandates of worship, evangelism, pastoral care, education and charity.
- B. The preservation of historic foundational doctrines.
- C. To train, license and ordain ministers, promote missionary activity, and to plant churches.
- D. Recognition of Biblical pastoral headship in the local church under the supervision of the governing boards of the Grace International Churches and Ministries, Inc.
- E. Administrative stewardship of properties of the association.

Article VI

OBJECTIVES

The objectives of this corporation, its churches and ministries are, but not limited to, the following:

- A. To maintain a suitable, self-perpetuating organization to manage the affairs of this corporation and to support the member churches and ministries of the Grace International Churches and Ministries, Inc.
- B. To license and/or ordain ministers of the gospel in accordance with such regulations contained in the By-Laws.
- C. To establish, accept and grant membership to churches and religious organizations for the propagation of the gospel in the United States and all foreign countries.
- D. To own, hold, develop, maintain, operate, lease, encumber, sell, exchange, convey, and to otherwise acquire, dispose of, or manage, or deal with, or in property of every nature and description, both real and personal, and whether situated in the United States or any foreign country, to such extent as may be necessary or convenient in the furtherance of the purposes and objectives of this corporation.
- E. To buy, sell, exchange, encumber, and generally deal in real property, including but not limited to, improved or unimproved real estate, office buildings, store buildings, school buildings, college buildings and dormitories, hotels, apartments and dwelling houses.
- F. To acquire, sell, hold, use, license, assign or otherwise dispose of any and all trade marks, trade names, and all inventions, improvements, or processes or secured under letters patented of the United States or elsewhere.
- G. To carry out all or any of the aforesaid objectives as persons, agents, contractors or otherwise, either alone or in connection with any person, firm, association or corporation.
- H. To acquire by gift, donation, devise or bequest real and/or personal property for the use, benefit and furtherance of the purposes and objectives of this corporation in the United States and in all foreign countries, with full power to use, sell and dispose of same and convert such property into cash, securities or other classes of properties, for the use and benefit of the corporation, and for promotion of the objectives for which the corporation is organized.

- I. To qualify to do business in any state, territory or dependency of the United States or any foreign country and to conduct business within or without the State of California and/or the United States or any foreign country.
- J. To receive, create, provide for, set up and use pension and/or endowment funds in furtherance of the objectives and purposes of the corporation.
- K. To carry on printing and/or publication activities, including making, acquiring, selling and disposing of printed books, tracts, leaflets and literature or music pertaining to and in any way consistent with the purposes herein set forth.
- L. To establish, maintain and operate day care centers, Christian schools, Bible colleges, recreational centers, youth centers, camps, homes for destitute or indigent persons, hospitals, rest homes and homes for missionaries of the church, or churches, operated by this corporation, who are retired or on furlough, and homes for other retired employees of the church, or churches, operated by this corporation.
- M. To do any and all acts or things necessary, suitable or convenient for accomplishment of any purposes, or for attainment of any one or more objects herein specified, or which shall, at any time, appear conducive thereto, or expedient therefore, if not inconsistent with provisions of any laws which might apply to accomplishment of such purposes or attainment of such objects.

It is intended that the foregoing objectives, purposes and powers of this Article shall not, unless otherwise specified herein, be in any way limited or restricted by reference to or inference from the terms of any other clause of this or any other Article in this Constitution and By-Laws, but that the objectives and purposes specified in these Articles shall be regarded as indefinite objectives and purposes.

Article VII

TENETS OF FAITH

This corporation shall accept the Bible as the revealed will of God, the all-sufficient rule for faith and practice, and for the purpose of maintaining general unity, adopts the following statement of fundamental truths approved by the Board of Directors.

STATEMENT OF FAITH

- We believe the Bible to be the inspired, the only infallible, authoritative, eternal Word of God. *II Timothy 3:16, 17; Hebrews 4:12; II Peter 1:21; Isaiah 40:8; Psalm 119:89, 160.*

- We believe that there is one triune God, eternally existent as Father, Son, and Holy Spirit. *Matthew 28:19; Mark 1:9-11; John 5:18, 23; 10:29, 30; Psalm 139:7; I Corinthians 2:10,11; Hebrews 1:5-12 (cf. Psalms 102:25ff); Hebrews 9:14; II Corinthians 13:14.*
- We believe in the deity of our Lord Jesus Christ, in His virgin birth, in His sinless life, in His vicarious and atoning death, in His bodily resurrection, in His ascension to the right hand of the Father, and in His personal return in power and glory. *John 1:1-5; 20:28; Colossians 1:15-17; Matthew 1:22, 23; 3:16, 17; II Corinthians 5:21; Romans 3:25; Matthew 28:5-7; I Corinthians 15:3-8; Acts 1:9-11; 2:32-33; Romans 8:34; Ephesians 4:8-10; Hebrews 1:2-3; I Thessalonians. 4:16-18.*
- We believe that for the salvation of lost and sinful man, regeneration by the Holy Spirit is absolutely essential. Salvation is by faith alone through grace alone. Both justification and sanctification are the works of the Holy Spirit in those who trust in Jesus. *John 3:5, 6; Titus 3:5, 6; Ephesians 2:8; Galatians 3:2-3; I Peter 1:2.*
- We believe in the present ministry of the Holy Spirit, by whose indwelling the Christian is enabled to live a godly life. *Luke 24:49; Acts 1:8; Romans 8:9-11, 13-15; 15:18, 19; II Corinthians 1:21, 22; Ephesians 3:14-19; 5:18-20.*
- We believe in the personal baptism with the Holy Spirit as received by believers “at the beginning.” We believe in the present day manifestation of all the gifts of the Holy Spirit in the Church. *John 1:33; 20:21-23; Acts 1:8; 2:4; 4:31; 8:17; 10:44-46; 19:3-6; Romans 12: 6-8; I Corinthians 12:13, 27-31; 14:1-40; Ephesians 5:18.*
- We believe in obeying the Great Commission in the spirit of the Great Commandment. *Matthew 22:37, 38; 28:18-20; Mark 16:15; Luke 24:46-48; John 20:21; Acts 1:8.*
- We believe in the resurrection of both the saved and the lost—of they that are saved unto the resurrection of life and of they that are lost unto the resurrection of damnation. *John 5:28, 29; I Corinthians 15:20-23; Revelation 20:11-15.*
- We believe in the sanctity of human life from the moment of conception to the time of death. All human life is precious in the sight of God. *Luke 1:15; Galatians 1:15; Psalm 22:10; 71:6; 139:13-14. Mark 8:36; Psalm 72:14; Isaiah 43:4.*
- We believe that marriage and family are institutions ordained by the Lord God Himself from the very beginning of human history and these are sacred institutions. Marriage is between one man and one woman. Any other definition of marriage is contrary to the clear teachings of the Holy Bible and hence against the expressed will of God. *Genesis 1:27-28; 2:20b-24; I Corinthians 7:2; Hebrews 13:4.*
- We believe that God created men and women as sexual beings. Sexuality is an integral and beautiful part of creation. The Bible clearly teaches that any sexual act outside of marriage whether in thought, word, or deed is sin. *Genesis 1:27-28; Matthew 5:27-28; Proverbs 6:25-26; I Corinthians 6:9-10, 18; I Thessalonians 4:3-8.*
- We believe that unity regarding the foundational doctrines clearly taught in the Holy Bible is absolutely essential. At the same time we also affirm that we must

accept one another in the love of Jesus recognizing that there are different styles and expressions of worship. We are all members of the Body of Christ. All the members of the Body do not look exactly alike in external details. Yet, together we are the Body of Christ and are called to build His Kingdom in harmony and agape love. *John 17:11; Romans 12:1-13; 14:1-23; I Corinthians 12:4-6, 27-28; Ephesians 4:1-6.*

Article VIII

BIBLICAL [or SCRIPTURAL] ORDINANCES

Section 1 – Baptism

The ordinance of baptism by immersion in water (Matthew 28:19) shall be administered to all those who have repented of their sins and who have believed on the Lord Jesus Christ for their salvation, and who give clear evidence of their salvation. Romans 6:3-5; Colossians 2:12

Section 2 – Lord’s Supper

The ordinance of the Lord’s Supper shall regularly be observed as enjoined in the Scriptures. Luke 22:19-20; 1 Corinthians 11:23-26

Article IX

AMENDMENTS

The Articles of this Constitution may be adopted, amended or repealed by a two-thirds (2/3) majority vote of the Board of Directors and a simple majority of the members at the annual membership meeting.

BY-LAWS

OF GRACE INTERNATIONAL CHURCHES AND MINISTRIES, INC.

Article I

MEMBERSHIP

Section I – Membership Qualifications

Membership in Grace International Churches and Ministries, Inc. (“GRACE INTERNATIONAL” or the “corporation”) shall consist of those ministers who (1) hold one of the credentials described in section 4, of Article X of the By-Laws; (2) voluntarily subscribe to GRACE INTERNATIONAL’s Tenets of Faith; and (3) agree to be governed by GRACE INTERNATIONAL’s Constitution and By-Laws as herein set forth.

Section 2 – Rights of Members

Those members who meet the qualifications for membership described in Section 1, of Article I, above, shall be entitled to attend membership meetings of the corporation, to speak at those meetings, and to serve on committees of the corporation. Voting privileges are only extended to those members (1) who hold a “general” credential or “ordination” credential, as defined in section 4, of Article X of the By-Laws, respectively; and (2) who are “Active Ministers” or “Retired Ministers” defined in sections 1 and 2, respectively, of Article X of the By-Laws.

Section 3 – Churches Affiliated With GRACE INTERNATIONAL

GRACE INTERNATIONAL may affiliate itself with local churches that have one or more pastors who are members of GRACE INTERNATIONAL. In all matters relating to that affiliation, including, but not limited to, the performance of duties and obligations under the Charter Church Agreements between the local churches and GRACE INTERNATIONAL, the local churches shall be represented by a pastor (or pastors) who holds (or hold) a GRACE INTERNATIONAL credential in good standing.

Section 4 – Termination of Membership

Termination of membership shall occur upon the death, resignation or removal of any member as provided in the By-Laws, or upon the lapse or revocation of a member’s credential issued by this corporation.

Section 5 – Manner of Resignation

Except as provided herein, any member may resign, which resignation shall be effective upon giving written notice to the District Superintendent, unless the notice specifies a later time for the resignation to become effective. No Director may resign if the corporation

would then be left without a duly elected Director in charge of its affairs, or otherwise be jeopardized before the law.

Article II

MANAGEMENT OF CORPORATE AFFAIRS

DIRECTORS

Section 1 – General Powers

Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Constitution and these By-Laws relating to action required to be approved by the members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 2 – Special Powers

Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:

- A. Select and remove all officers of the corporation; prescribe any powers and duties for them that are consistent with law, with the Constitution and with these By-Laws; and fix their compensation.
- B. Change the principal executive office or the principal business office of this corporation from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, of country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any Board of Director's meeting or meetings, including annual business meetings.
- C. Adopt, make and use a corporate seal, and alter the form of the seal.
- D. Take, hold, sell, transfer or convey in the corporate name of this corporation, all property, real or chattel.
- E. Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered for the corporation purposes in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 3 - Qualification of Directors

The Board of Directors shall consist of those persons who hold the office of President, Vice President, Executive Administrator, Secretary, and Treasurer of the corporation and such other persons who may be elected or appointed to the Board of Directors. The minimum qualifications for all directors shall be a minister who has had an ordination credential from GRACE INTERNATIONAL for at least the last twelve (12) months. The above qualifications may be set-aside in a particular case by a majority vote of the Board of Directors.

Section 4 – Number of Directors

The authorized number of Directors shall be at least five (5) members, but shall be no more than fifteen (15) or as many as deemed necessary by the Board of Directors.

Section 5 – Nomination, Election, Review and Removal of Directors

Whenever a vacancy exists or will exist on the Board of Directors, new Directors shall be nominated and elected in the manner provided in section 3, of Article IV of the By-Laws. Review and removal of Directors shall be governed by the provisions of section 5, of Article IV of the By-Laws.

Section 6 – Term

Each Director will continue in office until the earlier of the death of that Director, the resignation of that Director, or the removal of that Director as provided in section 5, of Article IV of the By-Laws.

Section 7 – Vacancies

Consistent with sections 5, 6, and 7, of Article IV of the By-Laws, a vacancy or vacancies in the Board of Directors shall be deemed to exist at death or resignation of any Director or upon any Director's failure to satisfy the qualifications listed in section 3, of Article II of the By-Laws above.

Section 8 – Place of Meetings; Meetings by Telephone

Regular meetings of the Board of Directors may be held at any place within or outside the State of California. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section 8, a regular or special meeting of the Board of Directors may be held at any place consented to by the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

Section 9 – Annual Meeting

The annual meeting of the Board of Directors shall be held prior to the annual membership meeting, described in section 1 of Article V of the By-Laws, at such other date and place as the President determines. Notice shall be given in the manner specified in Section 10 below, if the location and/or date of the annual meeting is changed.

Section 10 – Special Meetings

A. Special meetings of the Board of Directors for any purpose may be called at any time by the President or his designated representative.

B. Notice

1. Notice of the time and place of special meetings shall be given to each director by one (1) of the following methods:

a. By personal delivery or written notice;

b. By first-class mail;

c. By telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director;

All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the corporation.

2. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, shall be delivered, telephoned, at least 24 hours before the time set for the meeting.

3. The notice shall state the time and place for the meeting; however, it need not specify the purpose of the meeting, or the place of the meeting, if it is to be held at the principal executive office of the corporation.

4. If action is proposed to be taken at any meeting to remove a Director, amend the Constitution and By-Laws, or voluntarily dissolve the corporation, the notice shall always state the general nature of the proposal.

Section 11 – Quorum

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 15 of these By-Laws, and to conduct necessary business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to:

- A. A direct or indirect material financial interest
- B. Appointment of committees
- C. Indemnification of directors

A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 12 – Waiver of Notice

The transactions of any meeting of the Board of Directors however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if:

- A. A quorum is present.
- B. Either before or after the meeting, each of the Directors not present signs a written waiver of notice; consent to hold the meeting, or an approval of the minutes.

The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 13 – Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14 – Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 15 – Action without Meeting

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

Section 16 – Fees and Compensation of Directors

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board of Directors to be just and reasonable.

Section 17 – Director’s Liability

To the fullest extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fine, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Code and including an action by or in the right of the corporation, by reasons of the fact that the person is or was a person described in that section. “Expenses,” as used in this By-Law, shall have the same meaning as in Section 9246(a) of the California Corporations Code, or any successor statute.

Article III

COMMITTEES

Section 1 – Committees of Directors

The President may, by resolution adopted by a majority of the Directors then in office, designate one (1) or more committees (consisting of two (2) or more Directors) to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the Board, except that no committee, regardless of board resolution, may:

- A. Take any final action on matters, which, under the Nonprofit Corporation Law of California, also require approval by the Board of Directors.
- B. Fill vacancies on the Board of Directors or in any committee.
- C. Fix compensation of the Directors for serving on the board or in any committee.
- D. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable.

- E. Appoint any other committee of the Board of Directors or the members of these committees.
- F. Expend corporate funds to support a nominee for Director.
- G. Approve any transaction.
 - 1. To which the corporation is a part and one (1) or more of its Directors has a material financial interest; or
 - 2. Between the corporation and one (1) or more of its Directors or between the corporation or any person in which one (1) or more of its Directors has a material financial interest.

Section 2 – Meetings and Action of Committees

Meetings and actions of committees shall be governed by, held and taken in accordance with, the provisions of Article 1 of these By-Laws, concerning meetings of Directors, with such changes in the context of these By-Laws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by the President or by the resolution of the Board of Directors, or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The President or the Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these By-Laws.

Section 3 – Executive Committee

The Executive Committee of the Board of Directors shall consist of the President, Vice-President, the Executive Administrator, and other Board of Directors as the President may deem necessary from time to time.

Section 4 – Combined Committee

The Combined Committee shall be a standing committee of this corporation. Its membership shall consist of the membership of the Board of Directors, and the members of all district committees of this corporation. The Combined Committee shall meet at a time and place designated by the President. The Combined Committee shall serve as a nominating and a review committee as provided in Article IV herein below. The Combined Committee shall have such additional responsibilities as the Board of Directors may delegate to it from time to time.

Section 5 – District Committees

Each district approved by the Board of Directors shall elect its own district committee, except for the district superintendent, who will be appointed annually by the Executive Committee with the approval of the President. District committees shall provide such supervision over a geographical area, as the Board of Directors shall delegate from time to time. District members shall be ordained, serve as pastor of a Grace International Churches and Ministries, Inc. church during his district committee membership and shall have pastored a Grace International Churches and Ministries, Inc. church for at least two (2) years. Each district committee member shall be elected to a two (2) year term by majority vote of the voting members residing within the geographical area represented by the district. The President shall have the right of special exception to make appointments or additions to District Committees.

Section 6 – District Superintendent

- A. The procedure for appointment of the District Superintendent is as follows:
 - 1. Each District Superintendent will be appointed by the Executive Committee.
 - 2. The President exception applies; see section 5, of Article III, above.
- B. Each District Superintendent will serve for a one-year term.

Article IV

OFFICERS

Section 1 – Officers

The officers of the corporation shall be a President, Vice-President, Executive Administrator, Secretary and Treasurer. One (1) person may hold two (2) of such offices, except that neither the Secretary nor the Treasurer may serve concurrently as the President or Chairman of the Board. The corporation may also have, at the discretion of the Board of Directors, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of section 3, of Article IV of the By-Laws. Officers of this corporation, except those appointed in accordance with the provisions of section 3, of Article IV of the By-Laws, shall meet the same qualifications as those required for members of the Board of Directors. The President shall serve as the Chairman of the Board.

Section 2 - Nomination and Election of Officers and Directors

The officers and Directors of the corporation, except those appointed in accordance with section 3, of Article IV of the By-Laws, shall be elected by the following method:

- A. A letter from the President's office listing qualifications and procedure shall be sent to all credentialed GRACE INTERNATIONAL ministers.
- B. Nomination Process:

Any ordained GRACE INTERNATIONAL minister may be nominated by:
 - 1. Application.
 - 2. A letter of nomination from any GRACE INTERNATIONAL minister in that district or by the Executive Committee.
- C. Candidates shall be screened by the Executive Committee.
- D. Candidates shall be interviewed and screened by the Combined Committee.
- E. No more than two (2) candidates shall be submitted to the Board of Directors for election.
- F. If the candidate is approved by a simple majority of all votes cast by the Board of Directors, the candidate's name shall be submitted to the voting members for ratification at the annual business meeting. In the event a candidate fails to receive the approval of the voting membership, the nominating procedure outlined in this Section 2 shall be repeated until a candidate is duly approved by the voting members of the corporation.
- G. In order to fill any vacancy in any office or on the Board, the President may appoint a person to fill any vacancy or fill a new position. The full Board of Directors must then approve, by majority vote, that appointment.

Section 3 – Subordinate Officers

The President, subject to ratification of the Board of Directors, may appoint any other officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the By-Laws or determined from time to time by the Board of Directors.

Section 4 - Review and Removal of Officers and Board of Directors

All officers and Directors, except those appointed in accordance with the provisions of section 2, of Article IV of the By-Laws, shall be subject to automatic review by the Combined Committee at the conclusion of their second year in office and at any other time by two-thirds (2/3) majority vote by secret ballot. At the conclusion of any review, the Combined Committee may recommend by two-thirds (2/3) vote by secret ballot that the officer or officers, or Director or Directors, be removed from office by a majority vote of the voting members at a special meeting of the members, or at an annual business meeting of the voting members. All officers and Directors shall continue in office until a vacancy occurs as provided in section 5, of Article IV. Any officer or Director who is the subject of a review

shall be informed of the reasons offered against his continuation in office and shall be provided reasonable opportunity to respond thereto both before the Combined Committee and before the voting members.

Section 5 – Resignation of Officers and Board of Directors

Any officer or Director may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the office or Director is a party. Upon attaining the age of seventy (70) years, all officers and Directors shall be ineligible to continue in office, unless such continuation is requested by a majority vote of the Board of Directors by secret ballot.

Section 6 – Vacancies in Offices

A vacancy in any office because of death, resignation, removal, or any other cause shall be filled only in the manner prescribed in these By-Laws for regular appointments to that office.

Section 7 – Responsibilities of Officers

A. President

1. The President shall, subject to the control of the Board of Directors, generally supervise, direct and control the business of the officers of the corporation. The President shall have the power to select and remove all agents and employees of the corporation. He shall preside at all meetings, and at all meetings of the Board of Directors. He shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws, including the power to appoint a person to sign for himself documents that have been approved by a district committee when he and/or the National Secretary are unable to sign due to their absence.

B. Vice Presidents

1. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.
2. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the President.

C. Secretary

The functional duties of the Secretary may be performed by administrative appointees of the President. The President will be responsible to establish procedures that will ensure the following:

1. Book of Minutes

The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of all meetings, committees of directors, and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at members' meeting and the proceedings of such meeting.

2. Membership Records

The Secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board of Directors, record of the corporate members, showing the names of all members, their addresses, and the class of membership held by each.

3. Notice, Seal and Other Duties

The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors required by the By-Laws to be given. He shall keep the seal of the corporation in safe custody. He shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

D. Chief Financial Officer

The functional duties of the Chief Financial Officer may be performed by administrative appointees of the President. The President will be responsible to establish procedures that will ensure the following:

1. Books of Account

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of

account shall be open to inspection by any director at all reasonable times.

2. Deposits and Disbursement of Money and Valuables

The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors; shall disburse the funds of the corporation as may be ordered by the Board of Directors; shall render to the President and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors of the By-Laws.

3. Bond

If required by the Board of Directors, the Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

Article V

MEETINGS OF VOTING MEMBERS

Section 1 – Annual Meeting

The general meeting of members of this corporation shall be held at least annually at a time and any place determined by a resolution of the Board of Directors. Written notice of the time and place of the annual meeting shall be delivered by mail or other written communication, charges prepaid, to each voting member, addressed to him at his address as it is shown on the records of the corporation, or if it is not shown on the records or is not readily ascertainable, at the place where the meetings of the members are regularly held. Any notice shall be mailed at least fifteen (15) days before the date of the meeting.

Section 2 - Special Meetings

Special meetings of the voting members of the corporation for any purpose or purposes, may be called at any time by two-thirds (2/3) vote of the Board of Directors or at the direction of the President. Written notice of the time and place of special meetings of the voting members shall be given in the same manner as for annual business meetings of members.

Section 3 - Quorum

A quorum for any meeting of members consists of one-third of the voting power, represented in person or by proxy.

Section 4 – Authority

The voting members shall elect the officers of this corporation as provided in these By-Laws, except those appointed pursuant to section 2, of Article IV of these By-Laws, and must approve any amendment to this Constitution and By-Laws of this corporation. The voting members shall also have authority to vote on any other business submitted to them by the Board of Directors or provided for in these By-Laws.

Article VI

ARBITRATION OF LEGAL CLAIMS

Section 1 – Procedure

Any controversy, dispute or claim among any two or more churches affiliated with this corporation, or between any church affiliated with this corporation and this corporation, or among any two or more congregants or officers of churches affiliated with this corporation or between any congregant or officer of a church affiliated with this corporation and this corporation, for which either party may have a cause for legal action (redress from any civil court), shall be settled through binding arbitration by a panel of three (3) arbitrators. One arbitrator shall be selected by each party to the dispute and the arbitrators so appointed shall appoint one or more additional arbitrators from the Panel of Arbitrators elected in accordance with this Article. Such arbitration shall proceed in accordance with Title 9, of Part III (section 12-80, et seq.) of the California Code of Civil Procedure.

Section 2 - Arbitrators

A panel of arbitrators shall be ratified at the annual business meeting in accordance with the procedure herein provided. Arbitrators shall be ordained ministers of mature experience, sound Christian character and ability, having been voting members in good standing for at least two (2) consecutive years prior to the date of election. A nominee for the Panel of Arbitrators must meet the active pastor's requirement in Article 10 Section 1. Arbitrators shall serve for six (6) years. All members of the Panel of Arbitrators shall be elected by the Board of Directors by secret ballot.

Termination of an arbitrator's ministerial license shall concurrently terminate such arbitrator's position as an arbitrator. If the arbitrator so terminated was appointed by one of the parties to the dispute the Board of Directors thereof may appoint a replacement arbitrator.

Article VII

CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these By-Laws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both the corporation and a natural person.

Article VIII

AMENDMENTS

By-Laws may be adopted, amended, or repealed by majority vote of both the Board of Directors and the voting membership.

Article IX

EFFECT UPON TERM OF OFFICE

The adoption of these By-Laws shall not affect the term of office of any officer or director elected under previous By-Laws of this corporation.

Article X

MINISTERS

Section 1 – Active Ministers

In order to be regarded as an active GRACE INTERNATIONAL minister during any calendar year, such minister must have been engaged in service as a director, superintendent, pastor, evangelist, missionary, minister of youth, associate or assistant pastor, pastoral staff in a GRACE INTERNATIONAL Bible college or a minister under special appointment of the Board of Directors, for a period of not less than six (6) months of the previous calendar year or must be under current appointment.

Section 2 – Retired Ministers

Those persons who have served as active ministers for a period of at least ten (10) years, are at least sixty (60) years of age, and are no longer fulfilling the requirements of an active minister, as described in section 1, of Article X of the By-Laws are “retired ministers” who shall retain all the privileges and benefits of an active minister that are provided in that section.

Section 3 - Inactive Ministers

All previously credentialed GRACE INTERNATIONAL ministers who do not comply with the requirements of either “active ministers” or “retired ministers,” as described in sections 1 and 2, respectively, of Article IV of the By-Laws, but are in good standing shall be regarded as inactive ministers, and have no voting privilege

Section 4 – Credentials

The following credentials invest the minister-recipient with sacerdotal power to perform all duties of a minister in the service of God and the church, subject to the disciplines of the designated spiritual authorities.

- A. **Specialized Ministry Credential (License).** This license recognizes those who have a call in a specialized ministry area such prison, hospital, nursing home, mercy ministries, Christian education, etc.

Requirements and Limitations

1. The licensee must support GRACE INTERNATIONAL in practice, principal and finances.
2. The licensee must pay annual dues, fees, and tithes on personal income from ministry.
3. The licensee is answerable to a local pastor and district superintendent. The license is non-transferable unless the pastor whom the licensee is leaving and the pastor where the licensee is moving both agree to the transfer of this license.
4. The holder of a Specialized Ministry Credential (license) may not vote as a member of GRACE INTERNATIONAL.

- B. **Pastoral Development Credential (License).** This license recognizes those who are pursuing a pastoral call (e.g., children’s pastor, youth pastor, assistant pastor, senior pastor, etc.).

Requirements and Limitations

1. The licensee must support GRACE INTERNATIONAL in practice, principal and finances.
2. The licensee must pay annual dues, fees, and tithes on personal income from ministry.
3. The licensee is answerable to a local pastor and district superintendent. The license is non-transferable unless the pastor whom the licensee is

leaving and the pastor where the licensee is moving both agree to the transfer of this license.

4. The holder of a Pastoral Development Credential (license) may not vote as a member of GRACE INTERNATIONAL.

C. General Credential (License)

Requirements and Limitations

1. The licensee must serve as an active minister according to section 1, of Article X of the By-Laws.
2. The licensee must support GRACE INTERNATIONAL in practice, principal and finances.
3. The licensee must pay annual dues, fees, and tithes on personal income from ministry.
4. The licensee has voting privileges as a member of GRACE INTERNATIONAL.

C. Ordination Credential (License)

Requirements and Limitations

1. The licensee must support GRACE INTERNATIONAL in practice, principal and finances.
2. The licensee must pay annual dues, fees, and tithes on personal income from ministry.
3. The licensee has voting privileges as a member of GRACE INTERNATIONAL.

D. Transfer of General or Ordination Credential (License)

Requirements and Limitations

1. The licensee must support GRACE INTERNATIONAL in practice, principle and finances.
2. The licensee must pay annual dues, fees, and tithes on personal income from ministry.
3. The licensee has voting privileges as a member of GRACE INTERNATIONAL.

Note: This license is a transfer of license for license. Whatever license was held by the licensee in a previous organization will be the one provided by GRACE INTERNATIONAL.

E. Interview

A person who is to be interviewed for credentials shall be interviewed by at least two (2) members of the District Committee. An interview for a Ministry Recognition credential requires the sponsoring pastor to be present. In the event there is a hardship due to time or distance, the District Superintendent may conduct the interview by phone with approval of the Executive Committee.

Section 5 – Removal

A. Cause for Removal

Any minister shall have his credentials removed and shall be removed from a pastorate and/or office if he is found guilty by the Executive Committee of the following:

1. Heresy.
2. Failure to pay applicable fees, dues, tithes.
3. Willful neglect of official duties.
4. Financial mismanagement or misappropriation of congregational funds.
5. Illegal, immoral, fraudulent conduct or any conduct unbecoming to a Christian minister.
6. Sexual misconduct as defined on page 2 of Policies and Procedures for Sexual Misconduct.
7. Conspiring to divide GRACE INTERNATIONAL or any GRACE INTERNATIONAL church.
8. Failure to submit to District Committee review of financial records when requested.
9. Destruction of church records.
10. Physical or mental incompetence.
11. Deviant behavior as defined in Romans 1:18-32 (NKJ).

12. Purposeful withdrawal from fellowship.

B. Procedures of Removal

In the event of a serious accusation against a GRACE INTERNATIONAL minister, at the discretion of the Executive Committee, a fact-finding committee (consisting of part or all of that district committee) shall be called by the District Superintendent. The fact-finding committee shall gather all pertinent facts, including any preliminary meetings with the accused. The committee shall determine the facts, and report to the Executive Committee. If dismissal is required, at least fifteen (15) days prior to any dismissal, the Executive Committee will provide the accused minister with a written description of the accusations against the minister and with an opportunity to request a personal hearing before the credential committee. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the accused minister's last address as shown on the corporation's records. The accused minister shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the credential committee makes its decision regarding dismissal of the accused minister. The decision of the credential committee shall be final.

C. Reinstatement

Any minister whose credentials have been revoked and has followed through the required restoration processes outlined in the Policy and Procedures Manual may be eligible for reinstatement. The said minister may make application according to Article X, Section 4.

Note: In the case of foreign missionaries, the Missionary Board will function in the place of the District Committee in the aforesaid section.

Article XI

PASTORS

Section 1 – Pastors' Powers and Duties

The pastor shall be the spiritual leader, and the chief executive officer of member churches. All staff ministers, elders, deacons, boards, etc., appointed or elected, shall function in an advisory and helping role. The aforesaid officers shall function with the powers and duties delegated by the pastor.

Section 2 - Pastoral Appointment

Pastors shall be appointed by the Executive Committee upon receiving recommendation from the District Committee. The District Committee shall use all necessary means, including consultation with church leadership, background screening, personal interviews

with pastoral candidate and consultation with Executive Committee, to determine suitability for appointment.

Article XII

MINISTER’S GUIDELINES

MINISTER’S GUIDELINES. The Ministerial Guidelines shall consist of policies, procedures, and information necessary for the carrying out of ministerial duties and expectations. This information is contained in the Grace International policies that can be found on our webpage. The aforesaid guidelines shall be revised as deemed necessary by the Board of Directors.

Article XIII

INTERNATIONAL MINISTRIES MANUAL

INTERNATIONAL MINISTRIES MANUAL. The International Ministries Manual shall consist of policies, procedures and information necessary for the carrying out of international ministry duties and expectations. The aforesaid manual shall be revised as deemed necessary by the Board of Directors.