

BYLAWS OF GRACE BIBLE CHURCH OF GRANBURY

A TEXAS, NON-PROFIT CORPORATION

ARTICLE I.

Name and Location

The name of the non-profit corporation is Grace Bible Church of Granbury, Hood County, Texas, 76048. The corporation may have such other office as the Board of Directors shall determine.

ARTICLE II

Purpose

2.1 The purpose for which the corporation is organized is: to know Christ and make Him known. This corporation shall not engage in any activities or exercise any powers which are not in furtherance of this purpose. This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit and is organized only for non-profit purposes.

2.2 No part of the net earnings of the corporation shall inure to the benefit of any Director of the corporation, officer of the corporation, or any part individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no Director or officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or other wise attempting, to influence legislation, and the corporation 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.

2.3 The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

2.4 The corporation shall not engage in any act of selfdealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

2.5 The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

2.6 The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

2.7 The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

2.8 Notwithstanding any other provisions of these by-laws, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from the taxation under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code and Regulations as they now exist or as they may hereafter be amended.

2.9 Upon dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to charitable, religious, scientific testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE III.

Board of Directors

3.1 The regulation and management of the non-profit organization, including the control and disposition of its property and funds, shall be vested in the Board of Directors.

3.2 The number of Directors will be no less than three (3) nor more than twenty (20) The number of directors may be increased or decreased from time to time by amendment to these by-laws.

3.3 A majority of the Directors must be present to constitute a quorum.

3.4 The duly appointed Borad of Deacons, and the Board of Elders of Grace Bible Church of Granbury shall be deemed to be members of the Board of Directors of this corporation as and when appointed in compliance with the Declaration of Purpose and Statement of Policy adopted by the men of Grace Bible Church October 1979 and any amendments and addendums thereto.

Members of the Board of Directors may be replace, or removed in like manner.

Duties of Directors

3.5 The Board of Directors shall be responsible for the finances of the Corporation and for the well being of its various assets; for formulating and maintaining the general policies that govern the Corporation's actions and programs, and for the continuity of the Corporation; and for hiring and retaining a Director and for the termination of the Director's appointment.

3.6 The Board may from time to time appoint one or more persons ex-officio members of the Board to hold office at the pleasure of the Board. Ex-officio members of the Board should be afforded the privileges of the Board but shall not vote or be counted in determining the existence of a quorum.

Meetings of Directors

3.7 Regular meetings of the Board shall be held three times a year.

3.8 Special meetings of the Board of Directors may be called by the President and shall be called by the Secretary at the request of three members from the Board of Directors. Notice of a special meeting of the Board shall be given to each Director at least five (5) days prior to the date of the meeting.

ARTICLE IV.

Officers

4.1 The Officers of the Corporation shall consist of a President, Vice President, Secretary, Treasurer. The Board may elect such officers.

4.2 Officers shall serve for a two-year term.

4.3 Officers shall be elected at a meeting of the Directors in December, 1980, and in subsequent meetings in December of even numbered years.

President

4.4 The President shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall preside at all meetings of the Board.

Vice President

4.5 The Vice President shall, in the absence of the President, perform the duties and have the authority and exercise of the powers of the President, and shall perform such other duties and have such other authority as the Board may from time to time prescribe or as the President may from time to time delegate.

Secretary

4.6 The Secretary shall attend all meetings of the Board of Directors and record all the proceedings of such meetings in a Minute Book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors. The Secretary shall transfer to his successors at the close of his term of office the Minute Book and all other corporation records in his possession.

Treasurer

4.7 The Treasurer shall have general supervision of the funds and securities of the Corporation and shall cause full and accurate accounts and record of receipts, disbursements and other financial transactions to be kept in books belonging to the Corporation, and shall cause all monies to be deposited in the name and to the credit of the Corporation in such depositories as may be designated or approved by the Board of Directors.

4.8 The Treasurer shall cause the funds of the Corporation to be disbursed as may be ordered by the Board of Directors and shall render to the President and Board of Directors, at its regular meetings, an account of all transactions under his supervision as Treasurer and of the financial condition of the Corporation.

4.9 The Treasurer shall see that an audit of the Corporation is prepared annually and shall give a financial report of the annual meeting of the members. The Treasurer shall serve as Chairman of the Finance Committee.

Compensation

4.10 Compensation. Any compensation paid to any officer shall be fixed by the Board of Directors in compliance with the Texas Non-Profit Corporation Act, shall be reasonable in amount, and shall be for services rendered. Any compensation paid otherwise than in compliance with this section shall be reimbursed by such officer to Corporation to the full extent of such noncompliance. The fact that any officer is a director shall not preclude him from receiving compensation or from voting on the resolution providing for the same.

ARTICLE V.

Miscellaneous Provisions

5.1 Agents and Representatives. The Board of Directors may appoint such agents and representatives of the Corporation with such powers and to perform such acts or duties on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

5.2 Contracts. The Board of Directors, except as in these by-laws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose or to any amount.

5.3 Banking Transactions. All checks, drafts, notes, or other negotiable instruments or obligations of the Corporation shall be endorsed, signed, executed or issued by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors; provided, however that in the absence of a resolution of the Board of Directors such matters shall be included within the duties of the Treasurer of the Corporation.

5.4 Fiscal Year. The fiscal year of this Corporation shall be the calendar year.

5.5 Interest of Directors, etc. Subject to the restrictions of Sections 5.6 and 5.7, this Corporation may enter into contracts or other transactions with any other corporation person, firm, association, trust, or entity even though one or more of the directors or officers of this corporation may be a party to or interested directly or indirectly in such contracts or transactions in some capacity other than as a director or officer of this Corporation, but, if any director or officer of this Corporation having such other interest acts in any way for or on behalf of this Corporation with such matter, such other interest shall be known to the Board of Directors before it finally authorizes or approves such contract or transaction.

5.6 Prohibition Against Sharing in Corporate Earnings. No, director, officer, or employee of or member of a committee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings of pecuniary profit from the operations of the Corporation, and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation; provided, that this shall not prevent the payment of any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed in accordance with these by-laws. Upon such dissolution of or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over in such amounts as the Board of Directors may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Directors exclusively to entities which are qualified as exempt organizations under the provisions of Section 501(c) (3) of the Internal Revenue Code of 1954 and its Regulations as they now exist or as they may hereafter be amended.

5.7 Exempt Activities. Notwithstanding any other provision of these by-laws, no director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c) (3) of the Internal Revenue Code of 1954 and its Regulations as they now exist or as they may hereafter be amended.

5.8 Budget. Before incurring any expenses of any kind or nature, the officers shall prepare and submit, for the approval of the Board of Directors, a detailed budget, and no expenses shall be incurred in excess of such budget, except upon approval of the Board of Directors. Thereafter, budgets for annual operations shall be similarly so prepared and submitted to the Board of Directors for their approval.

ARTICLE VI.
Amendment

These by-laws may be amended by the directors at any annual meeting of the directors, or, if notice of a proposed amendment to these by-laws is given in any call of a special meeting of directors, at such special meeting. Such notice may be waived in writing signed by all directors.