

IGLESIA GRACIA SOBERANA DE GAITHERSBURG, INC.

BYLAWS

Adopted _____, 2008

Section 1 GENERAL

1.1 Name. The name of the Corporation shall be **Iglesia Gracia Soberana de Gaithersburg, Inc.**, hereinafter referred to as "the Corporation" when referring to the legal entity recognized by the State of Maryland, or "the Church" when referring to the ecclesiastical entity established by Jesus Christ as a local church to serve Gaithersburg, Maryland and beyond.

1.2 Nonprofit Purposes. The Corporation is a local church organized and operated exclusively as a nonprofit, religious, educational, and charitable organization dedicated to the purposes stated in the Articles of Incorporation.

Section 2 OFFICES

2.1 Registered Office and Agent. The Corporation shall continuously maintain a registered office and registered agent within the State of Maryland.

2.2 Principal Office. The principal office of the Corporation shall be located in Gaithersburg, Maryland at 7501 Muncaster Mill Road, or such place as shall be determined by the Board of Directors.

2.3 Additional Offices. The Corporation may also have offices at such other places as the Board of Directors may from time to time determine and the business of the Corporation may require.

Section 3 SEAL

The Corporation may have a seal in the form determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced, or by writing the word "SEAL" beside the signature of an authorized officer of the Corporation.

Section 4 BOARD OF DIRECTORS

4.1 Number and Term. The Board of Directors shall consist of not less than three (3) nor more than twelve (12) persons, as may be determined from time to time by resolution of the Board of Directors. Directors shall be appointed by the Board of Directors for terms as determined by the Board or until their successors are appointed and qualify in their stead.

4.2 Qualification and Appointment. The initial Board of Directors shall be as set forth in the Articles of Incorporation. Subsequent appointments of directors of the Corporation may be made by a vote of a two-thirds majority of those directors present at any regular meeting of the Board of Directors, or at a special meeting convened for that purpose.

4.3 Vacancy. If the office of any director becomes vacant, the remaining directors, though less than a quorum, shall be authorized to select a successor who shall be appointed by the Board of Directors of the Corporation to serve the unexpired term of the vacated directorship.

4.4 Powers. The government of the Church is vested in its Board of Directors, who shall provide oversight in the spiritual and temporal affairs of the Church and shall appoint and confer authority upon a body of Pastors to manage the Church. The Board of Directors shall exercise all such powers of the Corporation and do all such lawful acts and things that are not prohibited by statute, the Articles of Incorporation, or by these Bylaws. The Board of Directors shall also be a resource for providing godly counsel, biblical wisdom, and accountability for the Senior Pastor and other Pastors of the Church.

4.5 Committees. The Board of Directors may appoint two or more persons from among its own number to serve as special and standing committees, such as the Board may determine are necessary, which shall have such powers and duties as shall from time to time be prescribed by the Board. All members of such committees shall serve at the pleasure of the Board. The delegation of authority to any committee shall not operate to relieve the Board of Directors or any member of the Board from any responsibility imposed by law. Unless otherwise provided in the resolution of the Board of Directors designating a committee or in rules that the Board subsequently adopts, a majority of the committee members shall be necessary and sufficient to constitute a quorum for the transaction of business of the committee, and the act of a majority of the committee members present and voting at a duly constituted meeting of the committee shall be the act of the committee. Other rules governing procedures for meetings of any committee of the Board shall be established by the Board of Directors, or in the absence thereof, by the committee itself.

4.6 Removal and Resignation. Any director may at any time deliver to the Board chair a written notice of intent to resign, which shall be effective upon its acceptance by the Board. Any director may be removed from the Board with or without cause when, in the sole judgment and discretion of the Board of Directors, it is determined by at least a two-thirds majority of the Board at a meeting duly called for that purpose and at which a quorum is present that such director should no longer serve on the Board; provided, however, that a notice, including the names of the director(s) proposed to be removed, and the date, time and place of any meeting called to consider such removal shall be given in writing to each of the directors at least seven (7) days prior to the date of such meeting.

4.7 Transactions with Interested Parties. A contract or other transaction between the Corporation and one or more of its directors, officers, or family members thereof (hereinafter "Interested Party"), or between the Corporation and any other entity, of which entity one or more directors, officers, or trustees are also Interested Parties, or in which entity an Interested Party has a material financial interest -- shall be voidable at the sole election of the Corporation unless all of the following provisions are satisfied:

4.7.1 The Corporation entered into the transaction for its own benefit;

4.7.2 The transaction was fair and reasonable as to the Corporation, or was in furtherance of its exempt purposes at the time the Corporation entered into the transaction;

4.7.3 Prior to consummating the transaction, or any part, the Board of Directors authorized or approved the transaction, in good faith, by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors, and with full knowledge of the material facts concerning the transaction and the Interested Parties' interest in the transaction, even though the disinterested directors are less than a quorum; and

4.7.4 Prior to authorizing or approving the transaction, the disinterested members of the Board of Directors, in good faith and with ordinary care, determined, after reasonable investigation and consideration, that either the Corporation could not have obtained a more advantageous arrangement, with reasonable effort under the circumstances, or the transaction was in furtherance of the Corporation's tax-exempt purposes.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors (or a committee thereof) which authorizes, approves, or ratifies such contract or transaction.

Notwithstanding the above, no loan shall be made by the Corporation to any of its directors or officers, as provided further in Section 10.6 of these Bylaws.

4.8 Conflicts of Interest Policy. It is the policy of the Corporation to identify conflicts of interest and to provide for full disclosure of any and all material conflicting interests by Board members, officers, senior management, and employees, and permit the Board to gather all relevant facts and circumstances to determine in accordance with the guidelines of Section 4.7 above whether or not any disclosed potential conflict is benign and not in any way jeopardizing the religious mission, exempt function, or reputation of Christ's church, so that the contemplated transaction may be authorized as just, fair, and reasonable to the Corporation. This policy will be implemented by appropriate practices and / or written procedures adopted by the Board of Directors.

4.9 No Compensation of Directors. Directors and members of any committee of the Board of Directors shall not receive compensation for their services as directors and members of any such committee, but may be entitled to reimbursement for any reasonable expenses incurred in attending such meetings. Directors may serve the Corporation in any other capacity and receive reasonable compensation for such other services, which compensation shall be set by the Board without their participation.

Section 5 MEETINGS OF THE BOARD OF DIRECTORS

5.1 Notice. Regular, annual, and special meetings of the Board of Directors may be held within or outside the State of Maryland without formal notice at such time and place as shall from time to time be determined by the Board, except for meetings at which the Board shall consider the removal of a director, as noted in Section 4.6.

5.2 Waiver of Notice. Whenever any notice is required to be given by statute, the Articles of Incorporation, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance at a meeting by a person entitled to notice shall constitute a waiver of proper notice of such meeting, except where attendance is for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

5.3 Quorum. A majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a two-thirds majority of the Board at a meeting duly called for that purpose and at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Articles of Incorporation, or these Bylaws.

5.4 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or by a committee thereof may be taken without a meeting, provided a written consent

setting forth the action so taken is signed by all the members of the Board or of the committee, as the case may be, and is filed with the minutes of proceedings of the Board or the committee.

5.5 Participation by Electronic Conference Equipment. Members of the Board of Directors or of any committee designated thereby may participate in a meeting of the Board or that committee by means of a conference telephone, or similar communications equipment whereby all persons participating in the meeting can reasonably interact with each other. Participation by such means shall constitute presence in person at such meeting. When such a meeting is conducted by means of a conference telephone or similar communications equipment, the minutes recording any action taken at such meeting, shall also note who participated in person, and who participated by alternative communications.

Section 6 OFFICERS

6.1 Number and Positions. The officers of the Corporation shall be the Senior Pastor (who functions as President), Secretary, and Treasurer. The Board may also elect an Executive Pastor (who functions as Vice-President), one or more assistant Secretaries and assistant Treasurers. Two or more offices may be held by the same person except that the offices of the Senior Pastor and Secretary may not be held by the same person. Except as otherwise provided, the officers may, but need not be, Pastors of the Church. However, all officers must be members in good standing of this Church. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

6.2 Term of Office. The Board of Directors shall elect officers of the Corporation, who shall serve at the pleasure of the Board. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a two-thirds majority of the Board at a meeting duly called for that purpose and at which a quorum is present, whenever, in their judgment, the best interests of the Corporation will be served thereby. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by a majority vote of the Board of Directors, or by the Senior Pastor until the next Board meeting. In case of the absence or disability of an officer of the Corporation, or in any other case that the Board of Directors may deem sufficient reason therefore, the Board of Directors, a two-thirds majority of the Board at a meeting duly called for that purpose and at which a quorum is present, may delegate for the time being any or all of the powers or duties of any officer to any other officer, Pastor, or any other person.

6.3 The Senior Pastor. To be appointed as the Senior Pastor, and to maintain that position, an individual must satisfy the criteria established for pastors, as set forth in Section 7.

- The Senior Pastor shall serve as the chair of the Board of Directors.
- The Senior Pastor shall preside at meetings of the Board of Directors.
- The Senior Pastor shall serve as the President and Chief Executive Officer of the Corporation, and shall have general active management of the business of the Corporation.
- The Senior Pastor shall see that orders and resolutions of the Board are carried into effect, sign and deliver in the name of the Corporation deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the Corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles of Incorporation or Bylaws or by the Board to another officer or agent of the Corporation.
- The Senior Pastor shall make reports to the Board of Directors, and shall have such other rights, duties, and powers as are authorized by the Board of Directors from time to time.

- This corporate role of the Senior Pastor shall always be secondary and subservient to his primary role as the spiritual leader of the local church to establish the Church's vision, mission, and priorities in accordance with the Bible, to lead the local church to be a gospel-centered reflection of Christ's body, to extend the glory and kingdom of God in and through this local church.

6.4 The Executive Pastor. To be appointed as the Executive Pastor, and to maintain that position, an individual must satisfy the criteria established for pastors, as set forth in Section 7.

In the absence of the Senior Pastor, the Executive Pastor shall perform the duties and exercise the powers of the Senior Pastor, or such of them as may be so delegated, and shall have such other rights, duties, and powers as are authorized by the Board of Directors from time to time. He shall serve as Vice-President of the Corporation.

6.5 The Secretary.

- The Secretary or an assistant Secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose.
- The Secretary shall perform like duties for the standing committees when required.
- The Secretary shall give, or cause to be given, such notice as is required of all meetings of the Board of Directors.
- The Secretary shall have such other rights, duties, and powers as are authorized by the Board of Directors from time to time.
- The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by the signature of the Secretary, or by the signature of the Treasurer or an assistant Secretary.
- The Secretary shall bear ultimate responsibility for maintaining records of and, when necessary, certifying proceedings of the Board.

6.7 The Treasurer.

- Except as the Board of Directors may otherwise determine, the Treasurer shall deliver all funds and securities of the Corporation which may come into his hands to such bank or trust company as the directors shall designate as a depository, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation.
- The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements.
- The Treasurer shall render to the Senior Pastor and the Board of Directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.
- The Treasurer shall deposit money, drafts, and checks in the name of and to the credit of the Corporation in the banks and depositories designated by the Board.
- The Treasurer shall endorse for deposit notes, checks, and drafts received by the Corporation as ordered by the Board, making proper vouchers for the deposit.
- The Treasurer shall, upon request, provide the Senior Pastor and the Board an account of the financial condition of the Corporation.
- If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office, and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in possession or under the control of the Treasurer, belonging to the Corporation.
- The Treasurer shall also have such other rights, duties, and powers as are authorized by the Board of Directors from time to time.

Section 7
OTHER PASTORS

The Board of Directors may appoint a Pastoral Search Committee, which may appoint other Pastors and Pastors-in-training by resolution to assist the Senior Pastor and / or the Executive Pastor in carrying out the ministry of the Church.

A Pastor-in-training must unreservedly subscribe to the tenets of faith as set forth in the New Testament and expressed in the Statement of Faith contained in the Appendix to these Bylaws, be an active Church member in good standing, and possess or have the potential to possess all the qualifications of a Pastor as set forth in I Timothy 3:1-8 and other relevant teachings of the New Testament. A Pastor must unreservedly subscribe to the tenets of faith as set forth in the New Testament and expressed in the Statement of Faith contained in the Appendix to these Bylaws, be an active church member in good standing, and possess or have the potential to possess all the qualifications of a Pastor as set forth in I Timothy 3:1-8 and other relevant teachings of the New Testament. These Pastors may perform all the duties of a minister of the gospel of Jesus Christ, including teaching, counseling, administering baptism and the Lord's supper, officiating at weddings and funerals, advising the board on matters of church discipline, disbursing church monies appropriated through the approved budget of the Corporation, and equipping others for ministry. These Pastors may also attend meetings of the Board of Directors to serve as advisers to the Board, though without governing authority in the decisions of the Board. These Pastors may be removed by a resolution of the Board of Directors.

Section 8
ADVISORY BOARDS

The Board of Directors may create one or more advisory boards, for such terms as deemed fit by the Board of Directors. Such advisory boards shall have no vote or governance role, but shall serve the Board of Directors in the specified advisory capacity. The members of such advisory boards must be active Church members or members in good standing of other local churches.

Section 9
CHURCH MEMBERS

9.1 Membership Universal and Local. As a concept distinct from corporate membership, which refers to the Board of Directors, the Church follows the New Testament concept of church membership: that each person regenerated by the Holy Spirit and responding in repentance and faith toward Jesus Christ is a unique and indispensable part of the organism which is Christ's body and all such persons are members of the universal body of Christ (1 Corinthians 1:2). Membership in this body of Christ is the grounds for fellowship between Christians. Additionally, the Bible identifies local churches as those Christians in a locality who by the leadership of God and common agreement join together under recognized local leadership and governance for the purpose of worship, instruction, mission, and fellowship.

9.2 Qualifications for Church Membership. As a local expression of the universal body, the Church will have the following standard for initial and continued membership:

9.2.1 Evidence that an individual has repented from sin and believes in Jesus Christ as Lord and Head of the Church (Luke 13:3,5; Acts 2:38; John 3:16,36; 1 Corinthians 1:2; Romans 10:9-13; John 1:12, 13; Colossians 1:18; Ephesians 1:22,23).

9.2.2 Evidence of a consistent Christian life or a willingness to live a consistent Christian life (Romans 6:4, Romans 8:1-4, Romans 13:13-14, Ephesians 4:17-32, Ephesians 5:1-2, 15, 1 John 1:6-7).

9.2.3 A practical commitment to the purposes and members of the Church (Heb. 10:24; John 13:34, 35; Romans 12:5; Matt. 28:19).

9.2.4 A recognition of a need for personal pastoral care and leadership and a willingness to receive the grace provided by the Pastors in their leadership of the Church (Hebrews 13:17, I Peter 5:1-4, Acts 20:28-31, Ephesians 4:11-12, I Thessalonians 5:12, 13).

9.2.5 Evidence of subscribing to the tenets of faith as set forth in the New Testament and expressed in the Statement of Faith contained in the Appendix to these Bylaws.

9.2.6 A willingness to contribute regularly to the financial support of the Church according to ability (2 Corinthians 8:13-15).

9.2.7 A commitment to submit to and respect the process of Church discipline, as outlined in Matthew 18, both for themselves and others if behavior inconsistent with the above or other unrepentant sin persists after a process of loving counsel, correction, and admonishment.

9.3. Reception of Members. The following is the procedure for the reception of members:

9.3.1 Persons desiring to become members will make such desires known to the Pastor or Pastors who will examine the applicant according to the standards for membership.

9.3.2. The Pastor or Pastors will render final decision on the reception of a member based on satisfactory evidence of all seven criteria of Section 9.2. All persons who have met the membership requirements and have been passed on favorably by the Pastors will be received into the membership of the Church.

9.4. Church Discipline. For the Church to remain under God's blessing and fulfill God's intentions, at times it becomes necessary, formally and corporately, to confront sin or false doctrine in a Church member.¹

- While all Church members should accept the responsibility to correct informally an erring Church member, when a Church member refuses to repent after sufficient informal confrontation, his case will be brought before one of the following at the discretion of the Board: (1) the Board of Directors, (2) one or more Pastors, or (3) a subcommittee of Pastors assigned by the Board for this task.
- If the facts of his sin or error are confirmed, and he or she remains unrepentant upon examination and appeal for change, the Board and / or Pastors will notify the appropriate circle of fellowship (up to and including the entire Church membership when either the leadership responsibility of the unrepentant individual or the notoriety of his sin would so warrant)—through a meeting of its Church members or private correspondence—the nature of that Church member's sin and his refusal to repent.

¹ Scriptural instruction and precedent for this practice appear in Matthew 18:15-17; 1 Corinthians 5; Galatians 6:1-2; Acts 20:28ff; Galatians 2:11-14; 1 Timothy 5:20; Titus 3:10-11; Romans 16:17; 2 Corinthians 2:5-11.

- Included in this notification, will be a call to corporate prayer for the Church member and to appeal to him to repent.
- During this time, the Church member under discipline might not be eligible to participate in the Lord's Supper or in small groups that gather for the purpose of fellowship. If after a period of appeal, the Church member continues in his sin, he or she will be removed from Church membership, and the members of the Church (or the appropriate circle thereof) will be notified with instructions to continue withholding fellowship and with an entreaty to treat him like an unbeliever, calling him to repent and to believe in the gospel.
- Once the Board and / or Pastors make a sin publicly known, they commit as well to inform the entire membership of the Church (or the appropriate circle thereof) of his repentance and restoration to fellowship and Church membership as appropriate to the situation and the good of the Church.
- The Board and / or Pastors in its sole discretion may decide to abbreviate or eliminate the process of appeal for repentance if the sin is especially notorious, or if the Church member proves to be factious, disruptive, or leading others into sin or error.

9.5. Resignation of Membership. A Church member may resign from his Church membership by submitting a written communication or by oral communication to one or more of the Pastors at any time, which shall be effective upon formal acceptance by the Pastor(s). However, if such resignation is an attempt to avoid the process of Church discipline, the Board will not accept the resignation until that process is completed as outlined in Section 9.4. Though generally such resignations by Church members not under discipline shall not be formally announced or published, such information is treated as public and available to any Church member or inquiring Pastor from another local church.

9.6. Removal from Roll. When a Church member resigns his Church membership or he is removed from Church membership due to unrepentant sin or doctrinal error, the Pastor(s) will remove his name from the Church membership roll.

9.7. Confidentiality. Though every reasonable effort shall be made to protect confidential communications, especially those received in a pastoral counseling context, there will be times when to properly fulfill their spiritual and leadership responsibilities, the Pastors may as they deem necessary or appropriate share such confidential information with one another or Church members or others they deem may be part of the solution or problem. They may do this for the purpose of counsel and prayer or the purpose of protecting others from the effects of a Church member's sin, or to assist one another in providing spiritual care to the people of the Church.

Section 10 FISCAL MATTERS

10.1 Deposits. The Board of Directors shall select banks, trust companies, or other depositories in which all funds of the Corporation not otherwise employed shall, from time to time, be deposited to the credit of the Corporation.

10.2 Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other persons as the Board of Directors may from time to time designate.

10.3 Fiscal Years. The Board of Directors shall have the power to fix, and from time to time to change, the fiscal year of the Corporation. Unless otherwise fixed by the Board, the fiscal year shall commence on September 1 and shall terminate on the following August 31.

10.4 Designated Contributions. The Corporation may accept any designated contribution, grant, bequest or devise provided it is consistent with the Corporation's (1) mission and spiritual priorities as determined from time to time by the Board, (2) budget process and fiscal restrictions, (3) full ownership and control of the funds or assets, and (4) tax-exempt purposes, as set forth in the Articles of Incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. The Corporation shall reserve all right, title and interest in and to, and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any special fund, purpose or use.

10.5 Books and Records. The Corporation shall keep at its office correct and complete books and records of account, the complete copies of its Articles of Incorporation and Bylaws, the activities and transactions of the Corporation, minutes of the proceedings of the Board of Directors and any committee of the Board, and a current list of the directors and officers of the Corporation and their residence addresses. Any of the books, minutes, and records of the Corporation may be in written form or in any other form capable of conversion into written form within a reasonable time.

10.6 Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until it is repaid. Nothing in this section shall bar any director or officer from receiving approved compensation in their employee capacities, or approved payments from the Corporation's benevolence fund in accordance with the policy and procedures governing such a fund, provided they do not participate in the decision to grant such benevolence.

10.7 Benevolence Fund. Consistent with Biblical teaching to share with those in need, the Corporation may establish a benevolence fund to meet material and financial needs of Church members and others. This fund shall be administered under a policy which sets forth the funds' purpose, procedures for administration, and objective criteria for selection of recipients for financial assistance.

10.8 Accounting and Fiduciary Guidelines. The directors and officers of the Corporation shall conduct their affairs with integrity in the sight of God and men, and shall to that end maintain prudent and responsible control and accountability over all funds they receive and ensure that all funds are dedicated to the Corporation's tax-exempt purposes. Toward that end, the directors and officers shall implement practices, procedures, and / or policies that position the Corporation to be a model of faithful stewardship and quality internal accounting controls and procedures.

Section 11 INDEMNIFICATION

Any person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that he is or was a director or officer, employee, or agent of the Corporation, may be indemnified by the Corporation, and the Corporation may advance his related expenses, to the full extent permitted by law.

The Corporation may purchase and maintain insurance to indemnify: (a) itself for any obligation which it incurs as a result of the indemnification specified above; and (b) its directors, officers, employees, and agents.

Section 12
AMENDMENTS

These Bylaws may be amended, altered, or repealed by a two-thirds majority of the members of the Board of Directors in attendance at any regular meeting of the Board, or at any special meeting of the Board if notice of the proposed alteration or repeal is contained in the notice of such meeting or notice is properly waived as outlined in Section 5.2 of these Bylaws.