

## **By-Laws of Mars Hill Fellowship**

### **A Nonprofit Corporation With Members**

#### **Article I The Civil and Ecclesiastical Government**

SECTION A –The government of Mars Hill Fellowship, also known as Mars Hill Church, is established and headed by Jesus Christ, who is the senior pastor of Mars Hill. The church is first and foremost an ecclesiastical body of believers, the supreme governing document of which is the Bible. Mars Hill Church is secondarily a civil corporation, the governance of which is established by its Articles of Incorporation and bylaws. The articles and bylaws, however, are subordinate to the Bible and must be interpreted in light of the scriptures.

The church government set forth in these bylaws is a three-level ecclesiastical body, the powers and duties of which are derived from the authority of Jesus Christ and the Bible. The acts and functions of each level of government shall be presumed to be ecclesiastical unless explicitly required for civil purposes (e.g. authorizing the purchase of real estate). The three levels shall consist of the following

- Full Council of Elders – all male elders/pastors of Mars Hill Church
- Board of Directors – selected from amongst the elders
- Executive Elders – a team appointed by the Board of Directors, all in accordance with these bylaws

SECTION B – The elders shall be the civil members of the corporation for purposes of the Washington Nonprofit Corporation Act, Chapter 24.03 RCW (the “Act”). Except as otherwise explicitly stated in these bylaws, the term “member” is a spiritual and theological term for a member of the body of Christ that has completed the membership process at Mars Hill Church and remains in good standing, and shall not mean an elder or a member for purposes of the Act. The powers not delegated to the Board of Directors or Executive Elders by these By-Laws are reserved to the Full Council of Elders.

#### **Article II The Eldership Process—Qualification and Selection of Elders**

SECTION A –The Full Council of Elders (also known as the Eldership) is composed of elders/pastors (paid or unpaid) who follow the leading of Jesus who is the Senior Pastor of Mars Hill (1 Peter 5:1-4).

To be considered as an elder, a man must have been called by God into leadership at Mars Hill and be a man of the highest Christian character according to the qualifications of Scripture (I Timothy 3:1-7; Titus 1:5-9).

SECTION B – The process of becoming an elder/pastor shall be established by resolution of the Board of Directors.

SECTION C - The final step of the elder selection process shall include ordination in a manner to be determined by the Board of Directors. Upon such ordination, the elder shall have the authority to preach, administer the ordinances of the church, marry, and enjoy all the rights and privileges accorded to licensed or ordained ministers under secular law.

SECTION D - Selection as an elder does not result in contract rights as an employee. All employees are “at will” and the employment relationship may be terminated without regard to such person continuing to serve as an elder.

### **Article III The Eldership Service—Duration, Resignation, Removal**

SECTION A – Once a man becomes an elder at Mars Hill, it is expected that the man would continue to serve as an elder indefinitely.

SECTION B – If the Board of Directors determines that an elder needs an extended Sabbath for a season because of a legitimate need (e.g., illness, tragedy), then that elder can transition to an inactive and non-voting elder for a set period of time as determined by the lead elder.

SECTION C – To resign from the Council of Elders, an elder must notify his supervising elder and lead elder by letter, which the lead elder will then distribute to the other elders.

SECTION D – An elder who senses God’s call to leave Mars Hill to help plant a Mars Hill–sponsored church plant should make his desire known to his supervising elder and the lead elder. If the Board of Directors confirms his calling, the elder will be sent out with blessing to help lead another church.

~~SECTION E – Discipline and removal of elders shall be consistent with the standards set by the Bible. the specific procedures to be determined by the Board of Directors in its discretion. An elder who is also an employee is employed at will and may be terminated as an employee at any time, with or without cause, by the Executive Elder Team or its designee (e.g. campus pastor or employee’s immediate supervisor). Any such termination shall automatically result in suspension as an elder pending discipline or removal as such by the Board of Directors. Any credible charge of moral impropriety, doctrinal error, or~~

anything else that could displease the Lord or harm Mars Hill, against an elder shall be investigated by a taskforce established by the elders. During the investigation, the elder in question shall not be allowed to vote on any church matters and shall be placed on temporary leave. If the elder taskforce finds credible evidence of wrongdoing, the elder in question shall be tried by the elders according to the criteria of Scripture (e.g., James 3:1; 1 Timothy 5:19–21). A three-fourth's vote of the remaining elders is necessary in order to find an elder guilty of the charges. If such a verdict is rendered by the remaining elders, the consequences for such a finding shall be determined by the remaining elders, with any action (up to and including removal) requiring another three-fourths vote of the remaining elders. In such instance, the members of Mars Hill shall be notified in writing of the process and results.

#### **Article IV Powers and Meetings of the Full Council of Elders**

SECTION A – The following issues are reserved for a vote of the full Council of Elders, with any voting requirements other than simple majority specified for such issue:

- Election of the Elected Elder/Directors of the Board of Directors. Approval requires a two-thirds vote.
- Any change to Mars Hill's doctrinal statement: three-fourths approval of all elders
- Discipline or removal of an elder. Voting requirements and procedure are set forth in Article III, Section E.
- Changes to and adoption of articles or incorporation or by-laws: three-fourths approval of all elders.
- May overturn a decision by the Board of Directors or Executive Elder team as specified in Article V, Section O below.

Any issue not reserved for the full Council of Elders pursuant to this section may be decided by the Board of Directors.

SECTION B - Annual Meeting. The annual meeting of the elders in their capacity as civil members of the corporation for purposes of the Act shall be held during the month of January on the day, at the time and in the place determined by the Board of Directors, for the purpose of electing directors and transacting such other business as may properly come before the meeting. If the annual meeting is not held during the month of January, the Board shall cause the meeting to be held as soon thereafter as may be feasible.

SECTION C - Special Meetings. The president, the Board of Directors, or not less than fifty percent (50%) of the elders entitled to vote at such meeting (except as otherwise specified under Article , Section of these By-Laws), may call a special meeting of the elders for any purpose.

SECTION D - Place of Meetings. All meetings of the elders shall be held at the principal office of the corporation, unless another place for such meeting, either within or without the State of Washington, is determined by the president, Board of Directors, or elders entitled to call a meeting of elders.

SECTION E - Notice of Meetings. The president or the secretary shall cause notice, in the form of a record, to be delivered to each elder entitled to notice of or to vote at the meeting, not less than ten nor more than fifty days before the meeting. Such notice shall state the date, time, and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

SECTION F - Waiver of Notice. Whenever any notice is required to be given to any elder under the provisions of these Bylaws, the Articles of Incorporation or applicable law, a waiver thereof in the form of a record, delivered by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

SECTION G - Quorum. ~~Fifty percent (50%)~~ A simple majority (51%) of the number of elders entitled to vote shall constitute a quorum at a meeting of the elders. If less than a quorum of the elders entitled to vote is present at a meeting, a majority of the elders present may adjourn the meeting from time to time without further notice.

SECTION H - Manner of Acting. A majority of the votes entitled to be cast by the elders present at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the elders, unless a greater vote is required by these Bylaws, the Articles of Incorporation, or applicable law.

SECTION I - Voting. An elder may vote in person, by mail, by electronic transmission, or by proxy in the form of a record delivered by the elder. Cumulative voting shall not be permitted. Votes may be taken by mail or electronic transmission only if the name of each candidate and the text of proposals to be voted upon are set forth in the notice of the meeting or in an accompanying record that is either a tangible medium or an electronic transmission. When an election is to be conducted by electronic transmission, the corporation shall designate an address, location or system in which the ballot may be electronically transmitted. Elders voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentages of total voting power present.

SECTION J - Participation by Telephone. Unless otherwise specified in the notice of the meeting, elders may participate in a meeting of the elders by a conference telephone or similar communications equipment by means of which

all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION K - Action by Written Consent. Any action required or permitted to be taken at a meeting of the elders may be taken without a meeting if a consent, in the form of a record, setting forth the action to be taken is executed by all of the elders. Any such consent shall be inserted in the minute book as if it were the minutes of an elder meeting.

SECTION L – Advise and Consent. To ensure that there is full disclosure to all elders, proper notice of all proposals requiring a vote of the full council of elders, the Board of Directors or the executive elders shall be provided to all the elders at least 30 days in advance, unless a credible emergency exists. Detailed minutes and voting record of each Board of Directors and executive elder team meeting, shall be published and disseminated to the elders, with records kept on file. The following information shall also be provided to every elder:

- Annual financial statements from CPA review
- Annual salaries and benefits list
- In-house prepared quarterly financial statements
- Quarterly church-wide tithing/giving report

## **Article V The Board of Directors**

SECTION A – Purpose and powers. The primary governing body for Mars Hill shall be its Board of Directors. Except for those powers reserved for the Full Council of Elders pursuant to Article IV, Section A, the Board of Directors shall have the power to determine all issues regarding Mars Hill Church, including, but not limited to:

- ~~Changes to and adoption of articles of incorporation or by laws~~
- Approve the selection of elders. Approval requires no objections (abstention permitted).
- Selection or removal of lead elder, preaching elder, other members of the executive elder team
- Appoint the officers of the corporation as set forth in Article VI, Section H below
- ~~Discipline or removal of elders~~
- Establish policies and procedures necessary to govern the affairs of the organization in consonance with the laws and regulations described in Section 501 (c) (3) of the Internal Revenue Code
- Approval of the annual operating and capital budgets
- Approval of the annual salary and benefits of all paid Elders

- Authorize the purchase, management and sale of all land, buildings or other major assets for use by Mars Hill Church, and the construction of new buildings and major renovations of existing buildings
- Overturn a decision made by the Executive Elders
- Borrow money and make and issue bonds, notes, contracts and other evidence of indebtedness therefore and, by the proper resolution duly adopted by a majority vote of the Board of Directors
- Apply for and aid in the processing of all applications for patents and copyrights; receive or purchase patents and copyrights, inventions, processes and discoveries; hold, manage, use and develop the same; sell, license or otherwise dispose of the same; and collect royalties thereon
- Any other power not explicitly reserved for the Full Council of Elders

SECTION B – Director Candidates and Size. Any elder may nominate himself, or be nominated, to serve on the Board of directors. Election to the Board shall be by secret ballot. The size of the Board of Directors shall be no less than seven men and no more than thirteen men, the specific number to be established from time to time by the Board of Directors number of nominees receiving at least a two-thirds vote (2/3) of the Full Council of Elders. If less than seven men meet this criteria, then those seven men receiving the highest number of votes will be accepted. If more than thirteen men meet these criteria, then those thirteen men receiving the highest number of votes will be accepted. If there is a tie among two or more men for the thirteenth seat on the Board of Directors, a new vote will be taken by all elders (on only the thirteenth position) with the man receiving the highest vote total being appointed to the Board of Directors.

In the event of a vacancy on the Board of Directors which causes the number of men serving on the Board to be less than seven (7), the remaining directors, even if less than a quorum, may by majority vote elect a successor for each vacancy to fill the unexpired term.

SECTION C – Composition. The Board of Directors shall consist of:

- “Elected Director/Elders”—Seven to thirteen members elected by the Full Council of Elders.
- “Executive Director/Elders”—three to six members elected by the Board of Directors (including Elected Elders and Executive Elders) pursuant to Article VI, Section C

The above composition shall be subject to the following additional requirements:

- At least one of the Elected Director/Elders shall be financially independent from Mars Hill Church (that is, neither he nor any member of his

immediate family shall be an employee or independent contractor with respect to Mars Hill Church).

- The number of Elected Director/Elders shall always be at least one more than the number of Executive Director/Elders.

SECTION D – Terms of Office. The Elected Director/Elders will serve for a term of two years and may succeed themselves in office. To facilitate the orderly rotation of members of the Board of Directors, the terms of office shall be arranged as evenly as possible so that approximately one-half of the terms of office will expire each year on January 31. The term of office for each Elected Director/Elder shall begin on February 1. Each member shall hold office until his successor is elected and qualified. A Director may not be terminated as an employee unless he is first removed from office as detailed in Section F below.

SECTION E - Resignation. Any director may resign at any time by delivering notice to the president or the secretary, or by giving oral or written notice at any meeting of the Board of Directors. Any member of any committee may resign at any time by delivering notice thereof to the president, the secretary, or the chairperson of such committee, or by giving oral or written notice at any meeting of such committee. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION F – Removal from the Board of Directors. At a meeting of the Full Council of Elders called expressly for that purpose and at which a quorum is present, one or more Elected Director/Elders may be removed from office, with or without cause, by the two-thirds vote of the Full Council of Elders. One or more of the Executive Elder/Directors may be removed by a two-thirds vote of the Board of Directors (including Executive Elder/Directors). Removal as a Director shall not automatically remove a person as an Elder, but removal as an Elder shall automatically remove the person as a Director. A director shall be entitled to vote on the issue of his own removal.

SECTION G - Quorum. ~~One-half~~ A majority (51%) of the members of the Board of Directors shall constitute a quorum.

SECTION H - Annual Meeting. The annual meeting of the Board of Directors shall be held during of the month of February. If in the judgment of the Board of Directors the meeting cannot be then held, it shall be held as soon as feasible thereafter. The Board of Directors may specify by resolution the time and place, either within or without the State of Washington, for holding any other regular meetings, which may be held without notice other than such resolution.

SECTION I - Special Meetings. Special meetings of the directors shall be held upon the call of the president or one-third of the Board of Directors. The notice of

the meeting shall be in the form of a record and shall be sent at least 24 hours prior to the meeting time. Notice of any meeting of the Board of Directors may be waived in a record by any director at any time or by a director's presence at the meeting, except where the director attends the meeting with the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors or any committee designated by the Board of Directors need be specified in the notice or waiver of notices of such meeting unless required by these Bylaws.

SECTION J - Voting. Each director shall be entitled to cast one vote at any election or on any subject before any meeting of the Board. For an issue to meet the approval of the Board of Directors, it must receive a simple majority vote unless otherwise prescribed in these By-Laws.

SECTION K - Participation by Telephone. Directors of the corporation may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION L - Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent, in the form of a record, setting forth the action to be taken is executed by all of the directors. Any such consent shall be inserted in the minute book as if it were the minutes of a Board meeting.

SECTION M – Loans to Directors Prohibited. No loan shall be made from the church to any director. Any director who assents to the making of such a loan shall be jointly and severally liable for its repayment.

SECTION N – Committees. The Board of Directors may designate and appoint by resolution adopted by majority of the directors one or more standing or temporary committees, each of which shall consist of two or more directors. Such committee or committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, subject to the limits of RCW 24.03.115 or similar statute. A majority of the number of directors composing any committee shall constitute a quorum, and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. Any committee member may be removed from committee by a majority vote of the Board. The Executive Elder Team shall be a permanent committee of the Board of Directors.

SECTION O - Any decision by the Board of Directors, including the executive elder team, may be overridden by a simple majority vote of all elders. An objection to a decision by the Board of Directors or executive elder team may be brought by any elder, and the matter scheduled for a review and vote, provided the objection was brought within a month of the decision being made.

## **Article VI The Executive Elder Team**

SECTION A – The executive elder team is a team of firsts among equals within the Council of Elders and are the executive leadership and management of Mars Hill Church.

SECTION B – The size of the executive elder team shall be no less than three men and no more than six men.

SECTION C – The executive elder team shall consist of men who meet the following criteria in addition to the qualifications and duties of an elder:

- The elder must be selected by the Board of Directors to be a member of the executive elder team
- The elder must receive a two-thirds vote of approval by the Board of Directors

SECTION D – The executive elder team will serve indefinitely until resignation, death or replacement. If the number of members of the executive elder team falls to less than four, the vacancy on the executive elder team shall be filled as soon as practical by the Board of Directors.

SECTION E – Subject to those powers and duties reserved for the Full Council of Elders under Article IV, Section A or the Board of Directors pursuant to RCW 24.03.115, the following issues are delegated to the Executive Elder Team by the Board of Directors:

- Establishing the overall vision for the entire church
- Directing and managing the operations of Mars Hill Church
- Developing an annual slate of nominees for the Board of Directors
- Issues delegated to the executive elder team by resolution of the Board of Directors

SECTION F – For an issue to meet the approval of the executive elder team it must receive a unanimous vote (abstention permitted).

SECTION G – The Executive Elder Team shall include the preaching elder and the lead elder, who shall be determined by the Board of Directors.

The preaching elder functions as the principal teacher and preacher for the church. The lead elder functions as the organizational head and leads the Executive Elder Team, the Board of Directors, the Full Council of Elders and the rest of the church in effectively obeying God's leading as revealed in Scripture.

SECTION H –Immediately following the election of the members of the Board of Directors, the Board of Directors shall appoint members of the Executive Elder Team to serve as President, Vice President, Secretary, and Treasurer to serve as officers for purposes of the Washington Nonprofit Corporation Act. The lead elder described in Section G shall be the President. He shall chair the meetings of the Executive Elder Team, the Board of Directors, and the Full Council of Elders. The preaching elder shall be the Vice-President and serve the role of president during the absence of the president. The treasurer shall maintain proper books of account for the church. The secretary (who shall not also be the president) will ensure detailed official minutes of each meeting of the Executive Elder Team, Board of Directors, or Full Council of Elders are kept and will keep on file and authenticate all pertinent minutes and other appropriate documentation used in making decisions and/or taking action. An officer may be removed as such by the Board of Directors without regard to such person's status on the Executive Elder Team. A vacancy in any officer position (President, Vice President, Secretary, or Treasurer) shall be filled as soon as practical by the Board of Directors.

## **ARTICLE VII Deacons**

SECTION A – There shall be a spiritual position of deacon that is subordinate to the position of elder. Deacons may be male or female.

SECTION B – To be considered as a deacon, a person must meet the qualifications set forth in the Bible and as established by the Board of Directors from time to time.

SECTION C – To be selected as a deacon, the person must complete the process determined by the Board of Directors.

SECTION D – The term of a deacon depends upon the commission given by the departmental elder or campus pastor at the time the person is selected as a deacon. Some deacons may serve for a specific task; others indefinitely. A deacon may resign by delivering notice to an elder, or, if due to a legitimate need, seek an extended Sabbath as determined by the lead elder. A deacon may be removed by the Executive Elder Team for any reason, with or without cause.

SECTION E – The general responsibility of deacons shall be to assist the elders in serving the church. Specific responsibilities or tasks may be given to deacons by the elders.

SECTION F – Certain male deacons who meet such additional requirements as determined by the Board of Directors may additionally be licensed by the board, the specifics of such licensure to be determined on a case by case basis. Such licensure may confer the authority to administer all ordinances of the church and qualify the deacon to be a minister of the gospel for purposes of secular law.

## **ARTICLE VIII**

### **Members of Mars Hill Church**

SECTION A – The reference to “member” in these bylaws is a spiritual and theological term for a member of the body of Christ that does not have any civil effect for purposes of state law. Consistent with the biblical concept of member and this Section A, members shall not have voting rights.

SECTION B – All persons desiring to unite with this Church shall sign an application to become a part of the fellowship, complete the required member process, sign the member covenant, and shall appear before at least one church member making a confession or reaffirmation of their faith in Jesus Christ as their Lord and Savior. Candidates coming in by transfer of letter from another church will follow the same procedure. Candidates having been approved by at least one church member must affirm by signature their agreement with the Doctrinal Statement and the Bylaws of Mars Hill. They must also agree to support in worship, giving, and service, and satisfy other conditions of fellowship defined by the Council of Elders.

SECTION C – Church Discipline. The threefold purpose of church discipline is to glorify God by maintaining purity in the local church, to edify believers by deterring sin, and to promote the spiritual welfare of the offending believer by calling him or her to return to a biblical standard of doctrine and conduct.

1. Members of Mars Hill Church and all other professing Christians who regularly attend or fellowship with this church who err in doctrine, or who engage in conduct that violates Scripture as determined by any two or more elders, shall be subject to church discipline. Each potential case of discipline will be weighed on its own merits and dealt with according to Scripture.
2. Members of Mars Hill Church are not guaranteed confidentiality regarding issues of church discipline, and understand that in submitting themselves to the authority of the church, issues of a sensitive or personal nature may become known to others.

This includes, but is not limited to, notification of the authorities if a crime has been committed or if a real threat of someone being endangered exists, as well as other violations of scripture that may not result in physical danger.

3. Those who are members of the church or who regularly participate in church activities may be dismissed from the church by the agreement of at least two elders, subject to the appeal process detailed in No. 8 of this section. The dismissal of a church member may be made known to all church members.
4. A person dismissed from Mars Hill for disciplinary reasons may be reinstated to full membership if the person's repentance is accepted as genuine by the elders that oversaw the person's discipline, or as determined in the appeal process in No. 8 below.
5. Each member of this church, and every other professing Christian who regularly attends or fellowships with this church, agrees that there shall be no appeal to any court because of a discipline process or dismissal. A member who is under discipline by the church, as defined in the previous paragraphs, forfeits and waives the right to resign from Mars Hill Church. Resignation is possible only by a member who is in good standing and who is not under any disciplinary action.
6. Separate and apart from the process of church discipline, but subject to the discretion and approval of any two or more elders, a member, non-member regular participant in church activities, or other individual, may be notified that he or she is not to be present upon church premises or at church activities for such a period of time as is deemed necessary for the safety and well-being of others. Such required absence may, but need not, be concurrent with church discipline of that person.
7. Separate and apart from the process of church discipline, but subject to the discretion and approval of any two or more elders, members who have not met all of the criteria of church membership for a period of six months or longer may be removed as a member of Mars Hill Church and may be asked to no longer attend Mars Hill.

8. Due Process during Church Discipline:

During the process of church discipline, if a member disputes being disciplined or does not voluntarily accept the removal of their member status by two elders, and claims (1) that he or she is not guilty of the charge against him or her; or, (2) to have acknowledged the sin and repented – then the member has the right to appeal.

Due process means (1) the member has the right and should be encouraged to have a representative of his or her choice present during any hearing and (2) the elders have the responsibility and the member has the right to a process of establishing the validity of the member's claim.

In these two cases, the accused member may not be removed unless an independent panel of members or elders comprising of at least three impartial members or elders have reviewed the claims and defense of the accused member. At that time, all facts should be sought and presented to the panel which shall review the facts and make its findings. The aggrieved party, or any elder or member that has been involved in the counsel or rebuke of the accused member shall not be a member of this panel. A member of this panel cannot be a relative or close friend of the member and may not be one who has brought any current or previous charge against the member. The panel may not exclude any witness from presenting facts relating to the guilt or innocence of the member.

If after a review of all the facts the member is found by the panel to be guilty or that he or she has not repented of the sin charged, they may be removed from membership with the consent of two impartial elders. If the person later repents, they may make application to these two elders to be considered for reinstatement.

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**ARTICLE IX**  
**Indemnification**

SECTION A – The corporation shall have the following powers:

1. Power to Indemnify. The corporation may indemnify and hold harmless to the full extent permitted by applicable law each person who was or is made a party to or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or other proceeding, whether civil, criminal, administrative or investigative, and whether formal or

informal (hereinafter a “proceeding”), by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation or, being or having been such a director, officer, employee or agent, he or she is or was serving at the request of the corporation as a director, officer, employee, agent, trustee, or in any other capacity of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or omission in an official capacity or in any other capacity while serving as a director, officer, employee, agent, trustee or in any other capacity, against all expense, liability and loss (including, without limitation, attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification may continue as to a person who has ceased to be a director, officer, employee or agent of the corporation and shall inure to the benefit of his or her heirs and personal representatives.

2. Power to Pay Expenses in Advance of Final Disposition. The corporation may pay expenses incurred in defending any proceeding in advance of its final disposition (hereinafter “advancement of expenses”); provided, however, that any advancement of expenses shall be made to or on behalf of a director, officer, employee or agent only upon delivery to the corporation of (a) a written affirmation of the director’s, officer’s, employee’s or agent’s good faith belief that he or she has met the standard of conduct described in RCW 23B.08.510, and (b) a written undertaking, by or on behalf of such director, officer, employee or agent, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such director, officer, employee or agent is not entitled to be indemnified under this Article or otherwise, which undertaking may be unsecured and may be accepted without reference to financial ability to make repayment.
3. Power to Enter Into Contracts. The corporation may enter into contracts with any person who is or was a director, officer, employee or agent of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest in property of the corporation, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

4. Expansion of Powers. If the Washington Business Corporation Act or the Washington Nonprofit Corporation Act is amended in the future to expand or increase the power of the corporation to indemnify, to pay expenses in advance of final disposition, to enter into contracts, or to expand or increase any similar or related power, then, without any further requirement of action by the directors of this corporation, the powers described in this Article shall be expanded and increased to the fullest extent permitted by the Washington Business Corporation Act and the Washington Nonprofit Corporation Act, as so amended.
5. Limitation of Powers. No indemnification shall be provided under this Article to any such person if the corporation is prohibited by the Washington Business Corporation Act or other applicable law as then in effect from paying such indemnification. For example, no indemnification shall be provided to any person in respect of any proceeding, whether or not involving action in his or her official capacity, in which he or she shall have been finally adjudged to be liable on the basis of intentional misconduct or knowing violation of law by the person, or from conduct of a director in violation of RCW 23B.08.310, or that the person personally received a benefit in money, property or services to which the person was not legally entitled.

SECTION B – Indemnification of Directors, Officers, Employees and Agents.

1. Directors. The corporation shall indemnify and hold harmless any person who is or was a director of this corporation, and pay expenses in advance of final disposition of a proceeding, to the full extent to which the corporation is empowered.
2. Officers, Employees, and Agents. The corporation, by action of its Board of Directors, may indemnify and hold harmless any person who is or was an officer, employee or agent of the corporation, and provide advancement of expenses to the full extent to which the corporation is empowered, or to any lesser extent which the Board of Directors may determine.
3. Character of Rights. To the extent the rights of indemnification and advancement of expenses have been conferred by or pursuant to this Article, such rights shall be contract rights.
4. Enforcement. A director (“Claimant”) shall be presumed to be entitled to indemnification and/or advancement of expenses under this Article upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, where

the undertaking in Section 1.2 above has been delivered to the corporation) and thereafter the corporation shall have the burden of proof to overcome the presumption that the Claimant is so entitled.

If a claim under this Article is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for advancement of expenses, in which case the applicable period shall be twenty days, the Claimant may at any time hereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part, the Claimant shall also be entitled to be paid the expense of prosecuting such claim. Neither the failure of the corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or advancement of expenses to the Claimant is proper in the circumstances nor an actual determination by the corporation (including its Board of Directors or independent legal counsel) that the Claimant is not entitled to indemnification or advancement of expenses shall be a defense to the action or create a presumption that the Claimant is not so entitled.

5. Rights Not Exclusive. The right to indemnification and advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation or Bylaws of the corporation, agreement, vote of disinterested directors, or otherwise.

SECTION C – Insurance. The corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or any person who, while a director, officer, employee or agent of the corporation, is or was a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act.

SECTION D – Survival of Benefits. Any repeal or modification of this Article shall not adversely affect any right of any person existing at the time of such repeal or modification.

SECTION E – Severability. If any provision of this Article or any application thereof shall be invalid, unenforceable or contrary to applicable law, the remainder of this Article, or the application of such provision to persons or circumstances other than those as to which it is held invalid, unenforceable

or contrary to applicable law, shall not be affected thereby and shall continue in full force and effect.

SECTION F – Applicable Law. For purposes of this Article, “applicable law” shall at all times be construed as the applicable law in effect at the date indemnification may be sought, or the law in effect at the date of the action, omission or other event giving rise to the situation for which indemnification may be sought, whichever is selected by the person seeking indemnification.

## **ARTICLE X Amendments to Articles and Bylaws**

Proposed amendments to the articles of incorporation or bylaws shall generally be approved by the executive elder team prior to submission to the Board of Directors to be adopted by simple majority and then submitted to the Full Council of Elders for final vote according to Article V, Section A above.

## **ARTICLE XI Administrative Provisions**

### SECTION A – Definitions.

“Deliver” means: (a) mailing; (b) transmission by facsimile equipment, for purposes of delivering a demand, consent, notice, or waiver to the corporation or one of its directors or officers; (c) electronic transmission, in accordance with the director’s or officer’s consent, for purposes of delivering a demand, consent, notice, or waiver to the corporation or one of its directors or officers under Section B.

“Electronic transmission” means an electronic communication (a) not directly involving the physical transfer of a record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient thereof, and that may be directly reproduced in a tangible medium by a sender and recipient.

“Execute,” “executes,” or “executed” means (a) signed, with respect to a written record or (b) electronically transmitted along with sufficient information to determine the sender’s identity, with respect to an electronic transmission.

“Record” means information inscribed on a tangible medium or contained in an electronic transmission.

“Tangible medium” means a writing, copy of a writing, facsimile, or a physical reproduction, each on paper or on other tangible material.

Any term not defined in these Bylaws shall have the definition in Chapter 24.03 RCW, as presently enacted or hereafter amended.

SECTION B – Electronic Notice.

1. Consent to Electronic Notice. In order to consent to notice via electronic transmission, a director or officer must, in a record, designate in the consent the appropriate electronic format and the address or system to which notices may be electronically transmitted, for example, specify an email address to which such electronic transmission may be sent.
2. Revocation of Consent to Electronic Notice. A director or officer who has consented to receipt of electronically transmitted notices may revoke the consent by delivering a revocation to the corporation, in the form of a record (sent to the attention of the secretary). Additionally, the consent of any director or officer is revoked if the corporation is unable to electronically transmit two consecutive notices given by the corporation in accordance with the consent, and this inability becomes known to the secretary of the corporation or other person responsible for giving the notice. The inadvertent failure by the corporation to treat this inability as a revocation does not invalidate any meeting or other action.

SECTION C – Effective Date of Delivery. If notice is mailed, it shall be deemed delivered when deposited in the mail properly addressed to the director or officer at his or her address as it appears on the records of the corporation with postage thereon prepaid. If the notice is by electronic transmission, it shall be deemed delivered when it is transmitted electronically in accordance with the consent of the director or officer. All other notice in tangible medium shall be deemed delivered upon receipt.