

BYLAWS
for the regulation, except as otherwise provided by Church Canons, statute or its Articles of
Incorporation,
of
THE RECTOR, WARDENS AND VESTRYMEN of ST. MICHAEL AND ALL ANGELS PARISH
CORONA del MAR, CALIFORNIA a non-profit religious corporation

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Pursuant to the provisions of the Nonprofit Corporation Law of California and the provisions of Articles of Incorporation which have been duly filed with the Secretary of State of the State of California, the following are adopted as By-laws of the above-mentioned corporation. All by-laws and regulations heretofore adopted by this corporation shall be superseded hereby upon the effective date of these new By-laws.

ARTICLE I - CORPORATION PART OF EPISCOPAL CHURCH

The corporation (sometimes herein called the "Parish") is an integral subordinate unit and constituent part of the Protestant Episcopal Church in the Diocese of Los Angeles ("Diocese") and of the Protestant Episcopal Church in the United States of America ("The Episcopal Church"). The Constitution and Canons of The Episcopal Church and the Constitution and Canons of the Diocese, now or hereafter in effect, are incorporated, by reference, in these Bylaws, as a basic and essential part hereof. As from time to time in effect they are herein respectively called the "National Constitution" or "National Canons," "Diocesan Constitution" or "Diocesan Canons," or collectively the "Constitutions and Canons." In case of any conflict between the Constitutions and Canons and these Bylaws, the provisions of said Constitutions

and Canons hereby made part of the Bylaws of this corporation shall prevail over such conflicting provisions. The clerk or secretary of this corporation is required hereby to keep with the original of these By-laws, available for inspection or examination by any persons entitled to examine the By-laws, a printed copy of the Constitutions and Canons.

ARTICLE II - OFFICE

The corporation's principal office is fixed and located at: 3233 Pacific View Drive, Corona del Mar, California, 92625.

ARTICLE III - MEMBERS

Section 3.1 QUALIFICATIONS.

The qualifications of members and the terms of admission to membership in this corporation are those which are prescribed by the Diocesan Canons for electors entitled to vote for members of the Vestry. Each member shall have the right to vote, as set forth in Section 3.2 of this Article III, for the election of members of the Vestry and otherwise as provided by National and Diocesan Constitutions and Canons and as required by applicable law.

Nothing in this Section 3.1 shall be construed as limiting the right of the corporation to refer to persons associated with it as "members" even though such persons are not members as defined above, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the California Nonprofit Corporation Law or the foregoing provisions of this Section 3.1, unless such person shall have qualified for membership as set forth above.

Section 3.2 VOTING RIGHTS.

Each member shall be entitled to one vote on each matter submitted to a vote of the members.

Section 3.3 TRANSFER OF MEMBERSHIP.

No member may transfer a membership or any right arising therefrom.

Section 3.4 TERMINATION OF MEMBERSHIP.

Ecclesiastical censure pronounced against any member of this corporation, according to the discipline of The Episcopal Church, shall, ipso facto, terminate the membership of such person in this corporation. Such discipline is reflected, inter alia, in the rubrics of the Service of Holy Communion and Title I, Canon 16, Section 6 of the National Canons.

Section 3.5 PLACE OF MEETINGS.

All meetings of the members of this corporation shall be held in the Church of the Parish at 3233 Pacific View Drive, Corona del Mar, California, 92625, or at such other convenient place, as may be designated for that purpose from time to time by the Rector and Vestry.

Section 3.6 ANNUAL MEETINGS.

The annual meetings of the members prescribed by the Diocesan Canons, commonly referred to as the annual meetings of the Parish, shall be held on such day and at such hour and place as may be designated by action of the Vestry. If not otherwise set, they shall be held on the first Sunday in February of each year at the hour of 11:30 o'clock AM.

Section 3.7 NOTICE OF ANNUAL OR SPECIAL MEETINGS.

Reasonable notice of each annual or special meeting shall be given to members. Such notice shall include (and be sufficient if it includes) at least one public announcement of the time and place thereof at each regularly scheduled service of the parish on the Sunday preceding the day of such meeting(s). Nothing herein shall prohibit the giving of longer notice or notice by additional means than the oral announcement above-mentioned. The notice of any special meeting of members shall, in addition to stating the place and date and time thereof, state the purpose or purposes thereof and no business not referred to in such notice may be conducted at the meeting.

Section 3.8 QUORUM.

Thirty-three (33) percent of the membership shall constitute a quorum at any meeting of members. If a quorum is present, the affirmative vote of fifty-one percent (51%) of the members present at the meeting, entitled to one vote, and voting on any matter shall be the act of the members. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 3.9 ADJOURNED MEETINGS AND NOTICE THEREOF.

Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the votes represented in the absence of a quorum (except as provided in Section 3.8 of this Article III), no other business may be transacted at such meeting.

It shall not be necessary to give any notice of the time and place of an adjourned meeting of members or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken; provided, however, when any members' meeting is adjourned for more than eight (8) days or, if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of the meeting as originally called, whether general or special.

Section 3.10 VESTRY MEMBERS NOMINATION AND ELECTION PROCESS.

No later than the October Vestry meeting, the Nominating Committee composed of the Senior Warden, the Junior Warden, and two members from the parish (one of whom must not be a current member of the Vestry) shall be appointed by the Vestry. The Senior Warden shall preside over the Nominating Committee until the Nominating Committee has elected a chairman by majority vote at the committee's first meeting. The first meeting of the Nominating Committee shall be held no later than the end of the first week in November.

The Nominating Committee shall immediately thereafter solicit names for nomination to the Vestry. No later than December 15, the Nominating Committee shall nominate at least one candidate for each vacancy and shall immediately advise the Vestry of the nominees.

The Vestry shall take up consideration of the nominees at the Vestry meeting immediately following the report of the Nominating Committee. In the event that the Vestry is unable to agree on one or more nominees for election, the unfilled vacancies shall once again be referred to the Nominating Committee.

The approval of nominees to the Vestry shall be made by the Vestry according to procedures that the Vestry shall from time-to-time adopt.

No later than the Vestry meeting immediately preceding the annual meeting, the Vestry will complete the approval of nominees for each vacancy. The names of those persons approved by the Vestry will be published as soon thereafter as possible and the nominees will be presented by the Senior Warden at the annual meeting for election by the Parish.

Section 3.11 RECTOR A MEMBER; PRESIDING OFFICER.

The Rector of the Parish, by virtue of being Rector, shall, while Rector, be a member of this corporation with the right to vote, and shall preside at all meetings of the Parish and of the Vestry. In case there is no Rector or in the absence or illness of the Rector, the Senior Warden if present shall preside at any such meeting, or if the Senior Warden not be present, the Junior Warden shall preside thereat. If neither the Rector nor a Warden is present but a quorum of members is present, the members present shall elect one of their members as presiding officer.

Section 3.12 RECORD DATE.

The record date for the determination of the members entitled to notice of any meeting of members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

Members on the day of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members or, in the case of an adjourned meeting, members on the day of the adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of members.

Section 3.13 CONSENT TO MEETING.

Attendance of a person at a meeting shall constitute a waiver of notice of and presence of such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the California Nonprofit Religious Corporation Law to be included in the notice but not so included, if such objection is expressly made at the meeting.

Neither the business to be transacted at nor the purpose of any regular or special meeting of members need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof, except as provided in Section 9411 (e) of the California Nonprofit Religious Corporation Law.

Section 3.14 ACTION WITHOUT MEETING.

Any action which may be taken at any general or special meeting of members, may be taken without a meeting if:

- (a) the written ballot of every member is solicited by the corporation by a form of ballot which sets forth the action to be taken and states the deadline by which it must be returned to be counted,
- (b) the number of votes cast by ballot on or before the time the ballots must be returned to be counted equals or exceeds the quorum required to be present at a meeting authorizing the action, and
- (c) the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Section 3.15 PROXIES AND ABSENTEE BALLOTS.

Each member shall be entitled to one vote and voting rights may not be exercised by proxies or through absentee ballots. In elections of members of the Vestry, each member of the corporation shall have one vote for each vacancy to be filled, but votes may not be cumulated.

Section 3.16 INSPECTORS OF ELECTION.

In advance of any meeting of members, the Vestry may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election be not so appointed, or if any persons so

appointed fail to appear or refuse to act, the chair of any such meeting may, and on the request of any member shall, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members, the majority of members represented at the meeting shall determine whether one or three inspectors are to be appointed.

The duties of such inspectors shall be those prescribed by Section 5615 (b) of the California Nonprofit Public Benefit Corporation Law and shall include: determining the number of memberships outstanding and the voting power of each; determining the memberships represented at the meeting; determining the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all members. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

Section 3.17 CONDUCT OF MEETING.

The chairman of meetings of members shall conduct each such meeting in an orderly and fair manner, but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure. The chair's rulings on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling a request for a vote is made to the members entitled to vote and who are represented in person at the meeting, in which case the decision of a majority of such members shall be conclusive and binding on all members. Without limiting the generality of the foregoing, the chair shall have all of the powers usually vested in the chair of a meeting of members.

Section 3.18 DELEGATES TO ANNUAL MEETING OF CONVENTION.

At each annual meeting, or at a special meeting as necessary, lay members shall be elected as Delegates to the Annual Meeting of Convention of the Diocese in accordance with the Diocesan Constitution and Canons. Delegates so elected shall attend the Annual Meeting of Convention and such other special meetings as may be called by the Diocese.

ARTICLE IV - BOARD OF DIRECTORS OR VESTRY

Section 4.1 BOARD OF DIRECTORS KNOWN AS VESTRY.

The Board of Directors of this corporation shall be known as, and shall constitute, the Vestry. The Rector is and the Wardens shall be members of the Vestry and are entitled to vote.

Section 4.2 ELIGIBILITY FOR ELECTION TO VESTRY.

Eligibility for election to the Vestry is governed by the Diocesan Canon IV and specifically 4.04(a), subject to any temporary ineligibility of a person for reelection provided by Section 4.3 of this Article IV.

Section 4.3 ORGANIZATION OF THE VESTRY.

The number of members of the Vestry, including therein the Rector and the Wardens, shall be thirteen (13) of which twelve (12) (all but the Rector) shall be elective members. Such number of directors or Vestry members may be changed by any method provided by the law of California and particularly by an amendment to the Articles of Incorporation or by a Bylaw adopted by the members of this corporation. The term of office of the rector as presiding officer and member with vote of the Vestry is for the period of the Rector's incumbency as such. In the event of a vacancy in the Rectorate, the same shall be filled in accordance with the Diocesan Canons. Senior and Junior Wardens, a Clerk and a Treasurer shall be chosen as provided by the Diocesan Canons.

At each annual meeting of members, four (4) Vestry members shall be elected. After a Vestry member has served a full term of three (3) years, one year shall elapse before he or she shall be eligible for reelection to the Vestry, it being understood that the period between the annual meeting at which a term shall have expired and the next annual meeting of the members constitutes one year even if somewhat less than 365 days because of the respective dates of the meetings. A person elected to the Vestry to fill an unexpired term shall not be ineligible for immediate reelection to the Vestry unless the unexpired term included more than two (2) years.

No person, other than the Rector or Priest In Charge of the congregation, shall be eligible for election as a member of the Vestry if that person is, at the time of such person's election, a paid employee of the Parish. Should a member of the Vestry become an employee of the Parish, that person will no longer be eligible to serve on the Vestry.

Section 4.4 POWERS AND DUTIES OF VESTRY.

Subject to any limitations of the Articles of Incorporation and Bylaws of this corporation, the National and Diocesan Constitutions and Canons, the canonical rights of the Bishop of this Diocese and the Rector, and the California Nonprofit Corporation Law as to actions to be authorized or approved by members, the powers of this corporation shall be exercised by or under the authority of, and the temporal business and affairs of this corporation shall be controlled by, the Vestry.

Section 4.5 VACANCIES. Except as provided in Section 9226 of the California Nonprofit Religious Corporation Law, any member of the Vestry other than the Rector may resign effective upon giving written notice to the Clerk or the Vestry, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time, to take office when the resignation becomes effective. Resignation of the Rector and vacancies in the Rectorate are governed by the National and Diocesan Canons.

A vacancy in the Vestry that occurs between annual meetings shall be filled by the Vestry in a secret ballot election at the first Vestry meeting after the vacancy has occurred. The nominees shall be those persons nominated by members of the vestry. The first of such nominees to receive a majority of the votes cast shall be elected to the Vestry for the unexpired term of the Vestry the nominee shall replace.

A vacancy or vacancies in the Vestry shall be deemed to exist in case of the death, resignation or removal of any member of the Vestry, or if the authorized number of members of the Vestry be increased, or if the members of the Parish fail, at any general or special meeting of members at which any member or members of the Vestry are elected, to elect the full authorized number of members of the Vestry to be elected at that meeting.

The members of the Vestry, by two-thirds vote, may declare vacant the office of a member of the Vestry who has been declared of unsound mind by a final order of the court, or convicted of a felony, or who has been absent without excuse of the Rector for at least four consecutive regular meetings. The members of this corporation may elect a member or members of the Vestry at any time to fill any vacancy or vacancies not filled by the Vestry.

No reduction of the authorized number of members of the Vestry shall have the effect of removing any member of the Vestry prior to the expiration of that member's term of office.

Section 4.6 PLACE OF MEETING.

Regular or special meetings of the Vestry shall be held at any place within or without the State of California which has been designated from time to time by the Vestry. In the absence of such designation, regular meetings shall be held at the principal offices of the corporation.

Section 4.7 REGULAR MEETINGS.

Immediately following each annual meeting of members of the Parish, the Vestry shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. At this meeting, the Vestry shall determine the dates of regular meetings for the ensuing year.

In the event the Vestry does not determine dates of regular meetings, the regular meetings of the Vestry shall be held without call or notice on the second Monday of each month at 7:30 o'clock PM, Pacific time.

Section 4.8 SPECIAL MEETINGS.

Special meetings of the Vestry for any purpose or purposes may be called at any time by the Rector, either Warden, the Secretary or any three members of the Vestry.

Special meetings of the Vestry shall be held upon four day's notice by first-class mail or forty eight (48) hours' notice given personally or by telephone, electronic mail, telegraph, telex or other similar means of communication as provided in the California Corporations Code section 20. Any such notice shall be addressed or delivered to each member of the Vestry at such member's address as it is shown upon the records of the corporation or as may have been given to the corporation by the member for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Vestry are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office or residence of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 4.9 QUORUM.

A majority of the total number of Vestry members at the time in office shall constitute a quorum of the Vestry for the transaction of business, except to adjourn as provided in Section 4.12 of this Article IV; provided, however, that such number must include the Rector or at least one of the Wardens unless there be no Rector or Wardens. Every act or decision done or made by a majority of the members of the Vestry present at a meeting duly held at which a quorum is present shall be regarded as the act of the Vestry, except as provided in the next sentence, unless a greater number be required by law, the National or Diocesan Canons, the Articles or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members of the Vestry, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 4.10 PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE.

Members of the Vestry may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear and are able to communicate with one another.

Section 4.11 WAIVER OF NOTICE.

Notice of a meeting need not be given to any member of the Vestry who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such member. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4.12 ADJOURNMENT.

A majority of the members of the Vestry present, whether or not a quorum is present, may adjourn any Vestry meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent members of the Vestry if the time and place be fixed at the meeting adjourned.

Section 4.13 ACTION WITHOUT MEETING.

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

Section 4.14 COMMITTEES.

The Vestry may appoint one or more committees, each consisting of two or more members of the Vestry and delegate to such committees any of the authority of the Vestry except with respect to:

- (a) The approval of any action for which the California Nonprofit Religious Corporation law also requires approval of the members or approval of a majority of all members;
- (b) The filling of vacancies on the Vestry or in any committee;
- (c) The fixing of compensation or reimbursement of expenses for serving on the Vestry or on any committee;
- (d) The amendment or repeal of Bylaws or the adoption of new Bylaws;
- (e) The amendment or repeal of any resolution of the Vestry which by its express terms is not so amendable or repealable;
- (f) The appointment of other committees of the Vestry or the members thereof; or
- (g) The election of a Rector.

The Vestry also may appoint one or more advisory or study committees, the members of which need not be members of the Vestry. Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the authorized number of members of the Vestry then in office, provided a quorum is present, and any such committee may be designated an Executive Committee or by such other name as the Vestry shall specify. The Vestry may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee.

The Vestry shall have the power to prescribe the manner in which proceedings of such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Vestry or such committee shall otherwise provide, the regular and special mee actions of any such committee shall be governed by the provisions of this Article IV applicable to meetings and actions of the Vestry. Minutes shall be kept of each meeting of each committee.

ARTICLE V - OFFICERS

Section 5.1 PRESCRIBED OFFICERS.

The officers of the Vestry shall be those prescribed by the Diocesan Canons, that is to say, the Rector, who is President of the corporation; the Senior Warden, who shall be First Vice President; the Junior Warden, who shall be the Second Vice President; the Clerk, who shall be the Secretary; and the Treasurer, who shall be the chief financial officer. Both the Clerk and the Treasurer must be members of the corporation, but, in the discretion of the Vestry, neither need be a member of the Vestry. The corporation may also have, at the discretion of the Vestry, an Assistant Secretary or Clerk and Assistant Treasurer.

Section 5.2 SUBORDINATE OFFICERS.

The Vestry may elect, and may empower the President to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Vestry may from time to time determine.

Section 5.3 REMOVAL AND RESIGNATION.

Any officer, except the Rector and Senior Warden, may be removed from office, except from the Vestry, by a majority of the entire Vestry at the time in office, at any regular or special meeting of the Vestry. The Senior Warden may be removed from that office, but not from the Vestry, by the Rector.

Any officer may resign at any time by giving written notice to the Vestry or to the Rector or to the Clerk, except that, in accordance with the National Canons, a Rector may not resign without the consent of the Vestry. Any such resignation shall take effect at the date of the such notice or at a later date specified therein, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.4 VACANCIES.

A vacancy in any office referred to in Section 1 of this Article other than that of Rector or Senior Warden, because of death, resignation, removal, disqualification or any other cause, shall be filled by election or appointment by the Vestry then in office. The office of Rector may be filled only in accordance with the provisions of the National and Diocesan Canons.

Section 5.5 PRESIDENT (Rector).

The Rector, as President, shall be the chief executive officer of the corporation and shall as to secular matters, subject to such control as the Vestry may have under civil law and the National and Diocesan Canons, and except as otherwise provided in these Bylaws, have direction and control of the business and officers and employees of the corporation. The Vestry shall not infringe upon the ecclesiastical or other peculiar rights, privileges or prerogatives of the Rector. The Rector shall be, ex officio, a member of all of the standing committees or regular committees of the Parish and, subject to the powers of the Vestry as to temporal matters, shall have the power to employ and remove subordinate employees.

Section 5.6 WARDENS.

From the Vestry shall be chosen a Senior Warden, and a Junior Warden, both of whom shall be confirmed communicants of The Episcopal Church in good standing. The Rector shall appoint the Senior Warden, and the Vestry shall elect the Junior Warden. In the event the Parish shall be without a Rector, both Wardens shall be elected by the Vestry. In the absence or disability of the Rector, the Wardens, in order of their rank, (i.e., first the Senior Warden and then the Junior Warden), shall perform the secular duties of the Rector, and when so acting, shall have all of the secular powers, and be subject to all the restrictions upon the Rector. The Wardens shall have such other powers and perform such other duties as, from time to time, may be prescribed for them respectively by the Vestry or Bylaws.

Section 5.7 CLERK.

The Clerk shall keep at the office of the corporation, a book of minutes containing minutes of all the meetings of the Vestry, committees of the Vestry and the members showing: the time and place of such meetings; whether regular or special; if special, how authorized; the notice thereof given; the names of those present at meetings of the Vestry; and the proceedings of each of such meetings. When written notice is required, the Clerk shall give notice of all meetings of the members and the Vestry. The Clerk shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Vestry or Bylaws.

Section 5.8 TREASURER.

The Treasurer shall maintain adequate and correct entries and business transactions of the corporation, including pledges and other assets, liabilities, receipts, disbursements and accounts in general. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the parish corporation with such depository as may be designated by the Vestry. The Treasurer shall disburse the funds of the corporation as may be ordered by the Vestry; shall render to the Rector and Vestry whenever they request it, an account of all transactions as Treasurer and of the financial condition of the corporation and shall have other powers and perform such other duties as may be prescribed by the Vestry or Bylaws.

The procedure for deposit and withdrawal of monies and other valuables shall be prescribed in the resolutions which shall be adopted by the Vestry governing the deposit and withdrawal of funds or valuables. The funds or valuables herein referred to are those belonging to the Parish and these provisions shall not be deemed to conflict with or overrule the conditions, terms or provisions of declarations or deeds of trust or of conveyance or donation providing some special method of said keeping, disbursing, withdrawing or depositing funds. Nor shall these provisions apply to the canonical discretionary fund of the Rector, as to which the disclosure of the beneficiaries or the purposes might prevent the carrying out of needed charitable acts.

ARTICLE VI - OTHER PROVISIONS

Section 6.1 CORPORATE RESTRICTIONS.

Notwithstanding anything else herein contained, in the matter of purely temporal and secular matters, as distinct from matters partly or wholly ecclesiastical, the Civil Law of the State of California and particularly the Nonprofit Corporation Law, as contained in the Corporations Code, is, and shall be, binding upon this corporation. The use of the church buildings and grounds, however is deemed to be an ecclesiastical matter, and is under the jurisdiction of the Rector, and this corporation acknowledges and agrees all property (both real and personal) of the Parish and corporation (including all property now owned or hereafter acquired by purchase, gift, bequest or any other means) is held in trust for The Episcopal Church and Diocese as provided in the National and Diocesan Constitutions and Canons.

Section 6.2 RECORDS.

The corporation shall maintain adequate and correct accounts, books, and records of its membership, business and properties. All of such records and accounts shall be kept at the room or place designated as the principal office of the corporation, as fixed by the Vestry, and proper provision shall be made for the safekeeping thereof from fire, the elements, destruction or access by unauthorized persons and other dangers. All books and records of the corporation shall, to the extent required by the Corporations Code of California, be open to inspection of members of the corporation or the Vestry, as the case may be, from time to time and in the manner provided for in that Code. Annual financial reports and audits shall be made in compliance with the Constitution and Canons.

Section 6.3 CERTIFICATION AND INSPECTION OF BYLAWS.

The Original or a correct copy of these Bylaws, as amended or otherwise altered to date, certified to by the Clerk, shall be open to inspection by the members of the corporation at all reasonable time as provided in the Corporations Code. Inasmuch as these Bylaws adopt and make the National and Diocesan Constitutions and Canons a part of these Bylaws, these provisions as to certification and inspection shall apply to those copies of the same mentioned in Article I of these Bylaws.

Section 6.4 ENDORSEMENT OF DOCUMENTS; CONTRACTS.

Subject to the provisions of applicable law and to any requirement for Diocesan consent as described in Section 6.5, any note, mortgage, evidence of indebtedness, contract, conveyance or another instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the President or any Warden and the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Vestry, and, unless so authorized by the Vestry, 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 to render it liable for any purpose or amount.

Section 6.5 SALES AND INDEBTEDNESS.

No indebtedness (except ordinary amounts due on open account for goods and services in the ordinary course of the corporation's business or as included in any budget or program approved by the Vestry), or any sale, lease, or conveyance of property of the corporation, or any encumbrance of property of the corporation, shall be incurred, made or entered into or be valid or binding against this corporation unless each and all of the following proceedings are regularly had and taken:

- (a) A resolution to incur the indebtedness or make the sale, conveyance or encumbrance must be adopted at a meeting of the Vestry at which a majority of the authorized number of members of the Vestry shall be present and vote in favor thereof.
- (b) Such resolution must specify exactly, if it relates to a proposed indebtedness, the amount and terms of such proposed indebtedness and the purpose for which it is to be incurred; or, if it relates to a sale, conveyance or mortgage, the terms of the same.
- (c) Such resolution must be fully spread upon the minutes, together with the names of the Vestry members who vote in favor thereof.
- (d) When required by National or Diocesan Canon, the consent of the Bishop and the Standing Committee of the Diocese shall first be obtained in writing. Without limiting the generality of the foregoing, such consents shall be obtained as required by Section 3.06 of the Diocesan Canons as it may be amended from time to time (which Canon, at the date of adoption of this Bylaw, reads, "Should any Parish desire to mortgage or otherwise encumber, to sell, exchange or otherwise dispose of all or any of its real property, or to acquire, except by gift, devise, or bequest, any real property subject to an existing encumbrance, or to assume an existing encumbrance, written consent of the Bishop and Standing Committee must be obtained prior to any such sale, exchange, mortgage or other encumbrance, disposition, or acquisition").

Section 6.6 DISPOSITION UPON PARISH DISSOLUTION.

Should the Parish close, the corporation be dissolved, or the corporation ceases to accede to the Constitutions and Canons, all property of the Parish and corporation shall revert to and be conveyed to the Diocese, to be held in trust by it or to be disposed of at its discretion, all in accordance with the Diocesan Canons.

Section 6.7 CONSTRUCTION AND DEFINITIONS.

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law shall govern the construction of these Bylaws.

Section 6.8 INSURANCE.

The corporation shall purchase and maintain adequate insurance coverage in accordance with the Constitutions and Canons. Each insurance policy shall name the Diocese and Diocesan Bishop as additional insureds.

ARTICLE VII - CORPORATE SEAL

This corporation shall have a corporate seal which shall be circular or elliptical in form and shall have inscribed thereon the name of this corporation, the date of its incorporation, and the word "California".

ARTICLE VIII - AMENDMENT

Section 8.1

These Bylaws may be altered or amended at any regular meeting of the Vestry by an affirmative vote of not less than two thirds of the authorized number of the members of the Vestry (viz., nine (9) Vestry members), provided that such alteration or amendment shall not be contrary to or inconsistent with the Articles of Incorporation of this corporation or the National or Diocesan Constitutions and Canons; provided further, that a Bylaw or an amendment thereof changing the authorized number of members of the Vestry may not be adopted, amended or repealed by the Vestry.

Section 8.2

Notice of a proposed amendment of these Bylaws must first be given at a previous regular meeting of the Vestry or by special notice to all members of the Vestry setting forth the substance of the same.

Section 8.3

Subject, as to amendments made by the Vestry, to the first sentence of this Article, alterations or amendments may also be made by any other method provided for by the Corporations Code, except that any Bylaw fixing or changing the number of members of the Vestry may not be adopted, amended or altered without the vote or written ballot of members entitled to exercise a majority of the voting power, or a vote of the majority of quorum at a meeting of members duly called, noticed and held pursuant to the articles or bylaws. The substance of any new bylaws or of any amendments shall be set forth in the notice of the meeting.

Section 8.4

Notwithstanding anything stated to the contrary above, no amendment to these Bylaws (including any repeal in whole or in part) shall be effective without the prior written approval of the Diocese.

ARTICLE IX - INDEMNIFICATION

Section 9.1 DEFINITIONS.

For the purposes of this Article, "agent" means any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Sections 9.4 or 9.5 (c) of this Article IX.

Section 9.2 INDEMNIFICATION IN ACTIONS BY THIRD PARTIES.

The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 9243 of the California Nonprofit Religious

Corporation Law, or an action brought by the Attorney General pursuant to Section 9230 of the California Nonprofit Religious Corporation Law) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person believed to be in the best interests of the corporation, and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 9.3 INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.

The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation, or brought under Section 9243 of the California Nonprofit Religious Corporation Law, or brought by the Attorney General pursuant to Section 9230 of the California Nonprofit Religious Corporation Law, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 9.3:

- (a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

Section 9.4 INDEMNIFICATION AGAINST EXPENSES.

To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 9.2 or 9.3 of this Article IX or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 9.5 REQUIRED DETERMINATION.

Except as provided in Section 4 of this Article IX any indemnification under this Article IX shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 9.2 or 9.3 of this Article IX, by:

- (a) A majority vote of a quorum consisting of directors who are not parties to such proceeding;
- (b) Approval of the members with the persons to be indemnified not being entitled to vote thereon; or
- (c) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

Section 9.6 ADVANCE OF EXPENSES

Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article IX.

Section 9.7 OTHER INDEMNIFICATION

No provision made by the corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or directors, an agreement or otherwise, shall be valid unless consistent with this Article IX. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 9.8 FORMS OF INDEMNIFICATION NOT PERMITTED.

No indemnification or advance shall be made under this Article IX, except as provided in Sect 9.4 or 9.5(c), in any circumstances where it appears that:

- (a) It would be inconsistent with a provision of the Articles, Bylaws, a resolution of the members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceedings in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) It would be inconsistent with any condition expressly imposed by a court in approving a settlement.

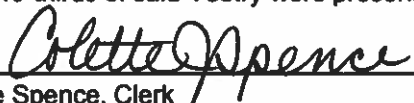
Section 9.9 INSURANCE.

The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article IX: provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 9243 of the California Nonprofit Religious Corporation Law.

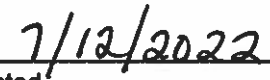
Section 9.10 NON-APPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS.

This Article IX does not apply to any proceeding against any trustee investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent as defined in Section 9.1 of this Article IX of the employer corporation. The corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

THE UNDERSIGNED, being the Clerk of the corporation known as The Rector, Wardens, and Vestry of St. Michael and All Angels Parish, Corona del Mar, California, a California religious nonprofit corporation, does hereby certify the foregoing to be the Bylaws of the said corporation, and that the same were regularly adopted at a regular meeting of the Vestry of said corporation, duly called and held, at which at least two-thirds of said Vestry were present and voted in favor thereof.



Colette Spence, Clerk



Dated