The By-Laws of Friendship Methodist Church, Inc.

A Georgia Non-Profit Corporation

Article I: Purpose

Section 1. Friendship Methodist Church, Inc. (hereinafter "Friendship Methodist Church") is a nonprofit corporation and ecclesiastical body organized exclusively for religious purposes. The purposes for which Friendship Methodist Church is formed include, but are not limited to:

a) To Help Others Follow Jesus, to promote the worship of the Holy Trinity, to preach the Word of God, to uphold the rich tradition of sacramental practice, to maintain Christian fellowship, to foster the edification of believers, and to welcome and advance the work of the Kingdom of God on earth.

b) To be obedient to our Lord Jesus Christ's command to "Go and make disciples of all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Spirit, and teaching them to obey everything I [Jesus] have commanded you (Matthew 28:19-20)."

c) To support disciples of Jesus Christ by proclaiming the good news of salvation through faith in our Lord Jesus Christ, and by exemplifying Jesus' command to love God and neighbor, by any suitable method or media, which includes but is not limited to the following:

1) Connecting disciples who worship Jesus Christ, by using personal evangelism, television and radio, the internet, conventions, preaching, teaching, missions, and other Christian methods.

2) Assisting and furthering the proclamation of Scriptural Christianity through printed and digital material, by providing speakers, mentoring, or coaching, and by other instructional and educational programs which may be deemed necessary or convenient in effecting the above purposes; and

3) Establishing new programs of outreach and ministry, and the strengthening and partnering with existing programs and organizations that have a similar purpose and dedication to presenting Christ as Savior and Lord.

d) To explore and promote the full ministry of the good and life-giving Holy Spirit throughout the life and work of the church, not least in the entire sanctification of Christian disciples;

e) To engage in spiritual work and services based upon the authority of the Holy Bible.

f) To be a member of a Wesleyan denomination.

g) Additional general purposes and powers are:

1) To solicit, collect, receive, acquire, hold, and invest money and property, both real and personal, including money and property received by gift, contribution, bequest, or devise; to sell and convert property, both real and personal, into cash, and to use the funds of Friendship Methodist Church and the proceeds, income, rents, issues, and projects derived from any property of the Church for any of the purposes for which the Church is formed.

2) To purchase, acquire, own, hold, sell, lease, assign, transfer, dispose of, mortgage, pledge, hypothecate, or encumber, shares, bonds, notes, debentures, or other securities or evidence of indebtedness of any person, firm, corporation, or association and, while the owner or holder of them, to exercise all rights, powers and privileges of ownership.

3) To purchase or acquire, own, hold, use, lease (either as lessor or lessee), sell, exchange, assign, convey, dispose of, mortgage, hypothecate, or encumber real and personal property;

4) To enter into, make, perform, and carry out contracts of every kind for any lawful purpose without limit on amount, with any person, firm, association or corporation, municipality, county, parish, state, territory, government, or other municipal or governmental subdivision;

5) To borrow money, incur indebtedness, and to secure repayment by mortgage, pledge, deed of trust, or other hypothecation of property, both real and personal; and

6) To do all things necessary, expedient, or appropriate to the accomplishment of any of the objects and purposes for which this corporation is formed.

7) That the undersigned wish to avail themselves of the provisions of the Georgia Non-Profit Corporation Law.

Section 2 Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of Friendship Methodist Church. No part of the net earnings of the Friendship Methodist Church shall ever inure to or for the benefit of or be distributable to its members, Council members, officers, or other private persons, except that Friendship Methodist Church shall be empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes for which it was formed.

a) Notwithstanding any other provisions of these Bylaws, Friendship Methodist Church shall not carry on any other activities not permitted to be carried on (a) by an association exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or any corresponding or successor provision of any United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or any corresponding or successor provision of any United States Internal Revenue Law).

b) In the event of any dissolution of the corporation or the winding up of its affairs, or other liquidation of its assets, the corporation's property shall be distributed pursuant to Article XII.

Section 3 Statement on Biblical Authority, Statement of Faith, & Statement of Moral Principles. These statements shall be identical to those adopted by Friendship Methodist Church in its Articles of Incorporation.

Article II: Governing Body – Administrative Board

Section 1 **Purpose:** The Administrative Board of Friendship Methodist Church is the equivalent of the Church Council and the corporation's Board of Directors. The Administrative Board works with and governs staff leadership and all governance committees (Finance, Staff Parish Relations Committee (SPRC), and Trustees) to provide strategic conversations, planning, effective communication, and updates between committees. They work together to cast vision and make necessary strategic decisions that help the church carry out its mission of helping others follow Jesus.

Section 2 **Number, Nomination, Qualifications and Authority:** The governing authority of this corporation shall reside in the Administrative Board, (hereinafter the "Board"), consisting of initially of all current members of the Administrative Board of the Friendship United Methodist Church for the terms they were elected therein. The Board shall consist of the Senior Pastor and eight (8) voting Board Members. No pastor or staff member shall have a vote on the Board. The at large members of the Board shall be nominated by the Lay Leadership Committee and voted and approved by majority vote of the Board. The Chairpersons of all ad hoc committees of the church may attend Board meetings with voice but without vote.

Voting Board Members shall consist of: (1) the chairperson and (2) Lay Leader (which are both elected annually at charge conference), (3) the Finance committee chairperson, (4) the SPRC chairperson, (5) the Trustees chairperson, and (6-8) three at large Board Members. At large Board Members shall serve three year terms staggered such that one each year; however, initially one at large member shall be elected for a one year term to expire in December, 2024, one at large member shall be elected for a term to expire in December, 2025, and one at large member shall be elected for a term to expire December, 2026. Beginning in 2024, one at large

member shall be elected for a three year term each year. At large Board Members shall be elected by the current Board after nomination by the Lay Leadership Committee at the Board's annual meeting each year, as terms expire. Committee chairpersons of the Finance, SPRC and Trustees shall be members of the Board for as long as they serve in one of those Chairperson positions. Each Board serve a term of three (3) years unless elected to fill a vacancy pursuant to section 4. At large members may not be elected for a consecutive term, and are not eligible to be elected to serve again as an at large Member of the Board until they have been off the Board for at least a year; however, at large members elected to fill a vacancy are eligible to be elected to a consecutive term.

The Lay Leadership Committee and the Board will seek to continually consider age, gender, and ministry representation (women's, men's, etc.) in its selection of new members. Prior to or in conjunction with installation, newly elected members of the Board shall affirm their acceptance of the purpose, principles, and mission statement of Friendship Methodist Church.

Section 3 Election of Administrative Board Chairperson and Lay Leader:

(a) The Chairperson of the Board and the Lay Leader shall be elected at the annual church charge conference for the term commencing January 1 and concluding December 31 of the upcoming year.

(b) The Lay Leadership Committee shall nominate persons to serve as Chairperson of the Board and Lay Leader. Members of the congregation may make other nominations from the floor during the church charge conference.

(c) If more than one person is nominated for Chairperson of the Board or Lay Leader, the members of the church in attendance at the charge conference shall elect the Chairperson of the Board and Lay Leader by majority vote by secret ballot with a runoff election held as necessary if more than two persons were nominated and no person received a majority of the votes.

(d) The Chairperson and Lay Leader are eligible to be elected for one consecutive term, but cannot serve for more than two consecutive years.

Section 4 **Vacancies:** Vacancies on the Board shall be filled for the remainder of the unexpired term by majority vote of the remaining Board Members after nomination by the Lay Leadership Committee at the Board's next official meeting which fulfills the requirements for quorum.

Section 5 **Removal from Office:** Any member of the Board may be removed from office, for any reason, by a two-thirds vote of the Board at a regular or special meeting of the Board. Two unexcused absences from Board meetings within a one-year period may be grounds for removal. Absences shall be deemed to be unexcused unless the

chairperson is notified prior to the meeting, and the chairperson approved of the reason for the absence.

Section 6 **(1) Regular Meetings:** The Board shall hold regular meetings at least quarterly of which time and place shall be determined at its previous meeting or the Board Chairperson. The order of business at each meeting of the Board, unless otherwise amended by affirmative, majority vote of all members present, shall be as follows:

a) Call to order by Chairperson

b) Roll call of all members of the Board

c) Minutes of last meeting

d) Financial reports & other committee reports

e) Old Business

f) New Business

g) Adjournment

(2) Action Items: Action items shall be specifically listed under old business if discussed at a previous meeting, or listed under New Business if not previously discussed. No action item can be approved unless it was specially listed on an agenda which was distributed to each council member at least 72 hours prior to the meeting.

Section 7 **Annual Meeting:** The Board shall hold its annual meeting in the last quarter of each calendar year, with fourteen (14) days prior notice to be given to the Board Members by the Secretary, and at such time and place may be determined by the Board. At this time, new members of the Board shall be voted on and installed.

Section 8 **Special Meetings:** Special meetings of the Board may be called at the discretion of the Senior Pastor, Chairperson, or no less than three (3) Board Members.

Section 9 **Quorum:** At all meetings of the Board, the presence of a majority of Board Members shall constitute a quorum for the conduct of business, and the acts of majority of Board Members present at such meetings shall be the acts of the entire Board, except where a larger number is required by law, the Articles of Incorporation, or by these By-laws.

Section 10 **Parliamentary Procedures:** The parliamentary procedure of the Board shall be governed by the current edition of Robert's Rules of Order.

Section 11 **Additional Actions.** The Board is empowered to create additional standing or ad-hoc committees of the Church from time to time with powers and duration as set by the Board. In addition, the powers, duties and interaction of the Committees formed by these By Laws shall be supplemented, as approved by the Board, by any processes and procedures outlined in any governance documents approved by Friendship Methodist Church as a part of election to join an Orthodox Wesleyan Denomination after passage of these initial By-Laws.

Article III: Finance Committee

Section 1 **Purpose and Authority**: The Finance Committee shall develop an annual budget and provide the necessary oversight and accountability to carry out the budget. The Finance Committee shall arrange for and ensure a Financial and Accounting Audit of Friendship Methodist Church's accounting books and records. A local church audit is defined as an independent evaluation of the financial reports and records and the internal controls of the local church by a qualified person or persons. The audit shall be conducted to reasonably verify the accuracy and reliability of financial reporting, determine whether assets are being safeguarded, and determine compliance with local law, local church policies and procedures, and the Transitional Book of Doctrines and Discipline of The Global Methodist Church. The audit may include: 1) a review of the cash and investment reconciliations; 2) interviews with the treasurer, financial secretary, pastor(s), Finance Committee chair, business manager, those who count offerings, church secretary, etc., with inquiries regarding compliance with existing written financial policies and procedures; 3) a review of journal entries and authorized check signers for each checking and investment account; and 4) other procedures requested by the Finance Committee. The audit shall be performed by an audit committee of one to three members composed of persons with business backgrounds. The audit committee should not include the members mentioned in item 2 above. An independent certified public accountant (CPA), accounting firm, or equivalent should be included on the committee once gross receipts exceed $500,000 on annual basis. Additionally, the Finance Committee shall lead the way in helping the church engage its congregation in financial stewardship. The Finance Committee shall report to the Board.

Section 2 **Number, Nomination, Election and Term of Office**:

a) The Finance Committee (hereinafter referred to as Finance Committee) report to the Board and shall consist of six members. In addition to these voting members, Finance Committee Members will consist of the Lay Leader, Senior Pastor, and Treasurer (all of whom have voice but no vote).

b) The members of the Finance Committee shall be nominated by the Lay Leadership Committee and approved by a majority of the Board.

c) Finance Committee members serve as follows: Initially all current members of the Finance Committee shall complete the terms they were elected therein. The Board shall elect one additional member of the Finance Committee for the term to end in December 2024, after a person is nominated by the Lay Leadership Committee. Thereafter, Finance Committee Members shall be elected by the Board at its annual meeting each year, as terms expire, after nominations by the Lay Leadership Committee. The Committee chairperson shall be elected annually by the Finance Committee and shall be a member of the Board. Each voting Committee Member shall serve a term of three (3) years unless elected to fill a vacancy pursuant to Section 3.

d) Prior to or in conjunction with installation, newly elected Committee Members of the Finance Committee shall affirm their acceptance of the purpose, principles, and mission statement of Friendship Methodist Church. Voting Committee Members may not be elected for a consecutive term, and are not eligible to serve again on the Finance Committee until they have been off of the Finance Committee for at least one year; however, members elected to fill a vacancy are eligible to be elected to a consecutive term.

e) Any member of the Finance Committee may be removed from office, for any reason, by a two-thirds vote of the Committee at a regular or special meeting of the Finance Committee or Board. Two unexcused absences from Committee meetings within a one year period may be grounds for the removal. Absences shall be deemed to be unexcused unless the member notified the Chairperson prior to the meeting and the Chairperson approved the reason for the absence.

Section 3 **Vacancies:** Vacancies on the Finance Committee shall be filled for the remainder of the unexpired term by majority vote of the Church Council after nomination by the Lay Leadership Committee.

Section 4 **Removal from Office:** Removal of a member of the Finance Committee shall require two-thirds vote of the Finance Committee or the Church Council.

Section 5 **Regular Meetings**: The Finance Committee shall hold regular meetings, at least quarterly, of which time and place shall be determined by the Committee.

Section 6 **Special Meetings**: Special meetings of the Finance Committee may be called at the discretion of the Senior Pastor, Administrator, Chairperson, or no less than three (3) Committee Members.

Section 7 **Quorum:** At all meetings of the Finance Committee the presence of a majority of the voting Committee Members shall constitute a quorum for the conduct of business, and the acts of majority of Committee Members present at such meetings shall be the acts of the entire Committee, except where a larger number is required by law, the Articles of Incorporation, or by these By-laws.

Section 8 **Parliamentary Procedures:** The parliamentary procedure of the Finance Committee shall be governed by the current edition of Robert's Rules of Order.

Article IV: Staff Parish Relations Committee

Section 1 **Purpose and Authority:** The Senior Pastor shall work with the Staff Parish Relations Committee (herein called SPRC), to fulfill legal, ethical, and practical responsibilities related to staff. The SPRC shall report to the Board.

Section 2 **Number, Nomination, Election and Term of Office:**

a) The SPRC shall report to the Board and shall consist of six (6) members. In addition to these voting members the SPRC will consist of the Lay Leader and Senior Pastor, (of whom have voice but no vote).

b) The members of the SPRC shall be nominated by the Nominating Committee and voted and approved by majority vote of the Board.

c) SPRC members serve as follows: Initially, all current members of the SPRC shall complete the terms they were elected therein. The Board shall elect one additional member of the SPRC for the term to end in December, 2024, after a person is nominated by the Lay Leadership Committee. Thereafter, SPRC Members shall be elected by the Board at its annual meeting each year, as terms expire. The Committee chairperson shall be elected annually by the SPRC and shall a member of the Church Council. Each Voting Committee Member shall serve a term of three (3) years unless elected to fill a vacancy pursuant to Section 3. Voting Committee Members may not be elected for a second consecutive term and SPRC until they have been off of the SPRC for at least one year; however, members elected to fill a vacancy are eligible to be elected for a consecutive term.

d) Prior to or in conjunction with installation, newly elected Committee Members of the SPRC shall affirm their acceptance of the purpose, principles, and mission statement of Friendship Methodist Church.

e) Any member of the SPRC may be removed from office, for any reason, by a two-thirds vote of the Committee at a regular or special meeting of the SPRC or Board. Two unexcused absences from Committee meetings within a one-year period may be grounds for the removal. Absences shall be deemed to be unexcused unless the member notified the Chairperson prior to the meeting, and the Chairperson approved the reason for the absence.

Section 3 **Vacancies:** Vacancies on the SPRC shall be filled for the remainder of the unexpired term by majority vote of the Board after nomination by the Lay Leadership Committee.

Section 4 **Removal from Office:** Removal of a member of the SPRC Committee shall require two-thirds vote of the SPRC or the Board.

Section 5 **Regular Meetings:** The SPRC shall hold regular meetings, at least quarterly, of which time and place shall be determined by the Committee.

Section 6 **Special Meetings:** Special meetings of the SPRC may be called at the discretion of the Senior Pastor, Chairperson, or no less than three (3) Committee Members.

Section 7 **Quorum:** At all meetings of the SPRC the presence of a majority of the voting Committee Members shall constitute a quorum for the conduct of business, and the acts of majority of Committee Members present at such meetings shall be the acts of the entire Committee, except where a larger number is required by law, the Articles of Incorporation, or by these By-laws.

Section 8 **Parliamentary Procedures:** The parliamentary procedure of SPRC shall be governed by the current edition of Robert's Rules of Order.

Article V: Board of Trustees

Section 1 **Purpose and Authority:** The Senior Pastor will work with the Board of Trustees (hereinafter called Trustees), to fulfill all physical plant responsibilities including the development of an annual capital budget. The Trustees shall report to the Board.

Section 2 **Number, Nomination, Election and Term of Office:**

a) The Trustees shall report to the Board and shall consist of Six (6) members. In addition to these voting members, Trustee Members will consist of the Lay Leader and Senior Pastor (each of whom have voice but no vote).

b) The members of the Trustees shall be nominated by the Lay Leadership Committee and voted and approved by majority vote of the Board.

c) Trustee members serve as follows: Initially the current Trustees shall complete the term they were elected therein. The Board shall elect a Trustee for the term to end December, 2024. Thereafter, Trustee Members shall be elected by the Board at its annual meeting each year, as terms expire. The Trustees shall elect a chairperson annually who shall be a member of the Board. Each Voting Trustee shall serve a term of three (3) years, unless elected to fill a vacancy pursuant to Section 3. Voting Trustees may not be elected for a second

consecutive full three year term, and shall not be eligible to serve as a Trustee until they have not served as a Trustee for at least one year: however, Trustee elected to fill a vacancy are eligible to be elected for a consecutive term.

d) Prior to or in conjunction with installation, newly elected Trustees shall affirm their acceptance of the purpose, principles, and mission statement of Friendship Methodist Church.

e) Any member of the Trustees may be removed from office, for any reason, by a two-thirds vote of the Committee at a regular or special meeting of the Trustees or Board. Two unexcused absences from Committee meetings within a one-year period may be grounds for the removal. Absences shall be deemed to be unexcused unless the members notified the Chairperson prior to the meeting, and the Chairperson approved the reason for the absence.

Section 3 **Vacancies:** Vacancies on the Trustees shall be filled for the remainder of the unexpired term by majority vote of the Board after nomination by the Lay Leadership Committee.

Section 4 **Removal from Office:** Removal of a member of the Trustees shall require two-thirds vote of the Trustees or the Board.

Section 5 **Regular Meetings:** The Trustees shall hold regular meetings, at least quarterly, of which time and place shall be determined by the Committee.

Section 6 **Special Meetings:** Special meetings of the Trustees may be called at the discretion of the Senior Pastor, Chairperson, or no less than three (3) Committee Members.

Section 7 **Quorum:** At all meetings of the Trustees Committee the presence of a majority of the voting Committee Members shall constitute a quorum for the conduct of business, and the acts of majority of Committee Members present at such meetings shall be the acts of the entire Committee, except where a larger number is required by law, the Articles of Incorporation, or by these By-laws.

Section 8 **Parliamentary Procedures**: The parliamentary procedure of the Trustees shall be governed by the current edition of Robert's Rules of Order.

Article VI: Lay Leadership Committee

Section 1 **Purpose and Authority:** The Lay Leadership Committee shall nominate persons to serve as at large members of the Board and to serve on the Finance Committee, Staff Parish Relations Committee and Trustees. The Lay Leadership Committee shall report to the Board. In the event that a majority of the Board does not approve a nomination made by the Lay Leadership Committee, the Board shall request another nomination from the Lay Leadership Committee for that position.

Section 2 **Number, Election and Term of Office:**

(a) The Lay Leadership Committee report to the Board and shall consist of six (6) members. In addition to the voting members, Lay Leadership Committee Members will consist of the Lay Leader and Senior Pastor (each of whom have voice but no vote).

(b) Lay Leadership Committee Members serve as follows: Initially all current members of the Lay Leadership Committee shall complete the terms they were elected therein. The Church Council shall elect one additional member of the Lay Leadership Committee for the term to end in December, 2023. Thereafter, Lay Leadership Committee Members shall be elected by the Board at its annual meeting each year, as terms expire. The Committee chairperson shall not be a member of the Board unless elected separately as an at large member. Each Voting Committee Member shall serve a term of three (3) years unless elected to fill a vacancy pursuant to Section 3. Voting Members may not be elected for a consecutive term, and are not eligible to serve on the Lay Leadership Committee until they have been off the Lay Leadership Committee for at least one year; however, Members elected to fill a vacancy are eligible to be elected to a consecutive term.

(c) Prior to or in conjunction with installation, newly elected Committee Members of the Lay Leadership Committee shall affirm their acceptance of the purpose, principles and mission statement of Friendship Methodist Church.

(d) Any member of the Lay Leadership Committee may be removed from office, for any reason, by a two-thirds vote of the Committee at a regular or special meeting of the Lay Leadership Committee or Board. Two unexcused absences from Committee meetings within a one-year period may be grounds for the removal. Absences shall be deemed to be unexcused unless the member notified the chairperson prior to the meeting and the chairperson approved the reason for the absence.

Section 3 **Vacancies:** Vacancies on the Lay Leadership Committee shall be filled for the remainder of the unexpired term by majority vote of the Board.

Section 4 **Removal from Office:** Removal of a member of the Lay Leadership Committee shall require two-thirds vote of the Finance Committee or the Board.

Section 5 **Regular Meetings**: The Lay Leadership Committee shall hold meetings as needed with the time and place shall be determined by the Committee Chairperson.

Section 6 **Special Meetings**: Special meetings of the Lay Leadership Committee may be called at the discretion of the Senior Pastor, Board Chairperson, or no less than three (3) Committee Members.

Section 7 **Quorum:** At all meetings of the Lay Leadership Committee the presence of a majority of Committee Members shall constitute a quorum for the conduct of business, and the acts of majority of Committee Members present at such meetings shall be the acts of the entire Committee, except where a larger number is required by law, the Articles of Incorporation, or by these By-laws.

Section 8 **Parliamentary Procedures:** The parliamentary procedure of the Finance Committee shall be governed by the current edition of Robert's Rules of Order.

Article VII: Officers

Section 1 **Election and Term of Office:** The Board shall appoint at its annual meeting, a Vice-Chairperson, Secretary and Treasurer. Term of office for all officers shall be one (1) year, commencing January 1st and concluding December 31 each year. Only the Vice-Chairperson is required to be a member of the Board.

Section 2 **Duties of Chairperson:**

(a) Conduct each meeting of the Board;

(b) Appoint committees with the approval of the Board;

Section 3 **Duties of the Vice-Chairperson:**

a) Perform all duties usually performed by the Chairperson during the absence or disability of the Chairperson; and
b) Perform any other duties as may be required by these By-Laws or the Board.

Section 4 **Duties of the Secretary:**

a) If a member of the Board, perform all duties usually performed by the Vice-Chairperson during the absence or disability of the Vice-Chairpersons;

b) Be responsible for all correspondence except as otherwise prescribed by the Board; and

c) Perform any other duties and functions customarily pertaining to this office or as prescribed by the Board.

Section 5 **Duties of the Treasurer:**

a) Oversee an account of all transactions as Treasurer and of the financial condition of the corporation whenever necessary; and

b) Oversee any and all records required of a non-profit charitable organization by the Internal Revenue Service to allow donors to deduct donations from their taxable income.

Article VIII: Conflict of Interest

Section 1 **Purpose:** The purpose of this provision of the bylaws is to protect this tax-exempt organization's interest when it is contemplating entering a transaction or arrangement that might benefit the private interest of any Employee, Director, Officer, Board member or Committee Member of Friendship Methodist Church or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2 **Definitions:** For purposes of this Article, the following terms shall have the following meanings:

a) Interested Person. Any Employee, Director, Officer, Board member or Committee Member of Friendship Methodist Church with governing Board delegated powers, who has a direct or indirect financial or other interest, as defined below is an "interested person."

b) Financial or Other Interest. A person has a financial or other interest if the person has, directly or indirectly, through business, investment, or family:

1) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement; or

2) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or

3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

4) A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing Council or committee decides that a conflict of interest exists.

5) Other interest would include but not be limited to issues such as volunteering, board membership, or participation in potential organizations that would place the individual in a position of authority or influence.

6)

Section 3 Procedures:

a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial or other potential interest and be given the opportunity to disclose all material facts to the Council Members and considering the proposed transaction or arrangement.

b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial or other potential interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

c) Procedures for Addressing the Conflict of Interest.

1) An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2) The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3) After exercising due diligence, the Board shall determine whether the corporation can obtain with reasonable efforts an equivalent or more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Council Members whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter the transaction or arrangement.

d) Violations of the Conflicts of Interest Policy

1) If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the members of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee

determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4 **Records of Proceedings:** The minutes of the Board shall contain the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5 **Compensation**:

a) A Board Member who receives compensation, directly or indirectly, from the corporation for service is precluded from voting on matters pertaining to that member's compensation.

b) A Board Member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

Section 6 **Annual Statements**: Each Board Member, principal officer, and member of a committee with governing Board delegated powers shall annually sign a statement which affirms such person:

a) Has received a copy of the conflicts of interest policy,

b) Understands the corporation is charitable and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7 **Periodic Reviews:** To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurnment, impermissible private benefit or in an excess benefit transaction.

Section 8 **Use of Outside Experts:** When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside

experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

Article IX: Indemnification of Employees, Officers, Directors, Council and Committee Members

Section 1 **Definitions:** For purposes of this Article, the following terms shall have the following meanings:

a) "Liabilities" and "Expenses" shall mean monetary obligations incurred by or on behalf of an Employee, Officer, Director, Board or Committee Member or an officer in connection with the investigation, defense, or appeal of a Proceeding (as defined below) or in satisfying a claim there under and shall include but not limited to attorneys' fees; amounts of judgments, fines, or penalties; and amounts paid in settlement by or on behalf of an Employee, Officer, Director, Board or Committee Member.

b) "Other Enterprise" shall mean any corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, whether for profit or not, for which an Employee, Officer, Director, Board or Committee Member is or was serving, at the request of the Friendship Methodist Church, as a Committee Member, Board Member, officer, partner, trustee, employee, or agent.

c) "Proceeding," shall mean any claim, action, suit, or proceeding (whether brought by or in the right of Friendship Methodist Church or Other Enterprise or otherwise), civil, criminal, Church, or investigative, whether formal or informal, and whether actual or threatened or in connection with an appeal relating thereto, in which an Employee, Officer, Director, Board or Committee Member may become involved, as a party or otherwise (i) by reason of being or having been an Employee, Officer, Director, Board or Committee Member of Friendship Methodist Church (and, if applicable, an employee or agent of Friendship Methodist Church) or a Committee or Board Member, officer, partner, trustee, employee, or agent of an Other Enterprise or arising out of his or her status as such or (ii) by reason of any past or future action taken or not taken by an Employee, Officer, Director, Board or Committee Member in any such capacity, whether or not he or she continues to be such at the time he or she incurs Liabilities and Expenses on account of the Proceeding.

Section 2 **Indemnification:** If an Employee, Officer, Director, Board or Committee Member is made a party to or threatened to be made a party to any Proceeding relating to his or her employment or volunteer efforts on behalf of Friendship Methodist Church, Friendship Methodist Church shall indemnify the Employee, Officer, Director, Board or Committee Member against Liabilities and Expenses incurred by him or her in connection with such Proceeding in the following circumstances and with the following exceptions.

a) If an Employee, Officer, Director, Board or Committee Member has been wholly successful on the merits or otherwise with respect to any such Proceeding, he or she shall be entitled to indemnification for Liabilities and Expenses as a matter of right.

b) To be entitled to indemnification pursuant to this Section, the Employee, Officer, Director, Board or Committee Member must notify the Corporation of the commencement of the Proceeding in accordance with Section five (5) of this Article and request indemnification. A review of the request for indemnification and the facts and circumstances underlying the Proceeding shall be made by the Board pursuant to one of the following procedures:

1) by the Board, by a majority vote from among the Members who are not parties to, or who have been wholly successful with respect to, such Proceeding, may vote to approve or deny indemnification of the Employee, Officer, Director, Board or Committee Member.

2) if such quorum cannot be obtained, by a majority vote of a committee duly designated by the Chairperson (in the designation of which, Board Members who are parties to such Proceeding may participate), consisting solely of two or more members who are not parties to, or who have been wholly successful with respect to, such Proceeding; or

3) by independent legal counsel selected by a majority vote from among the Board Members who are not parties to, or who have been wholly successful with respect to, such Proceeding. Any determination made in accordance with the above procedures shall be binding on Friendship Methodist Church.

4) If several claims, issues, or matters of action are involved, a Board Member or officer may be entitled to indemnification as to some matters even though he or she is not entitled to indemnification as to other matters.

Section 3 **Prepaid Liabilities and Expenses:** The Liabilities and Expenses that are incurred or are payable by an Employee, Officer, Director, Board or Committee Member in connection with any Proceeding shall be paid by the Church in advance, with the understanding and agreement between such Employee, Officer, Director, Board or Committee Member and the Church that, in the event it may ultimately be determined as provided herein that the Employee, Officer, Director, Board or Committee Member was not entitled to be indemnified or was not entitled to be fully indemnified, the Employee, Officer, Director, Board or Committee Member shall repay to the Church such amount, or the appropriate portion thereof, so paid or advanced.

Section 4 **Exceptions to Indemnification:** Notwithstanding any other provisions of this Article to the contrary, the Corporation shall not indemnify an Employee, Officer,

Director, Board or Committee Member for any Liabilities and Expenses for which payment is made to or on behalf of an Employee, Officer, Director, Board or Committee Member under an insurance policy, except in respect to any excess beyond the amount of payment under such insurance policy. In addition, an Employee, Officer, Director, Board or Committee Member shall not be entitled to indemnification under this provision if the Employee, Officer, Director, Board or Committee Member was engaged in any criminal activity, gross negligence, willful or reckless conduct as determined by the Board. Further, the Church may withdraw indemnity should the Employee, Officer, Director, Board or Committee Member fail to fully cooperate in his or her defense of the Proceeding, as determined by the Board.

Section 5 **Notification and Defense of Proceeding:** Promptly, and no later than fifteen (15) days after receipt by an Employee, Officer, Director, Board or Committee Member of notice of the commencement of any Proceeding, the Employee, Officer, Director, Board or Committee Member will, if a request for indemnification in respect thereof is to be made against the Church under this Section, notify the Church of the commencement thereof; but the failure to so notify the Church will not relieve it from obligation that it may have to the Employee, Officer, Director, Board or Committee Member under this Section or otherwise. With respect to any such Proceeding as to which the Employee, Officer, Director, Board or Committee Member notifies the Church of the commencement thereof.

a) The Church will be entitled to tender the claim to its insurer and / or participate therein at its own expense; and

b) Except as otherwise provided below, to the extent that it may so desire, the Corporation, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Employee, Officer, Director, Board or Committee Member. After notice from the Church to the Employee, Officer, Director, Board or Committee Member of its election to assume the defense of the Employee, Officer, Director, Board or Committee Member in the Proceeding, the Church will not be liable to the Employee, Officer, Director, Board or Committee Member under this Section for any legal or other Expenses subsequently incurred by the Employee, Officer, Director, Board or Committee Member in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. The Employee, Officer, Director, Board or Committee Member shall have the right to employ counsel in such Proceeding, but the Expenses of such counsel incurred after notice from the Church of its assumption of the defense thereof shall be at the expense of the Employee, Officer, Director, Board or Committee Member unless:

1) The employment of counsel by the Employee, Officer, Director, Board or Committee Member has been authorized by the Church.

2) The Employee, Officer, Director, Board or Committee Member shall have reasonably concluded that there may be a conflict of interest between the Church and the Employee, Officer, Director, Board or Committee Member in the conduct of the defense of such Proceeding; or

3) The Church shall not, in fact, have employed counsel to assume the defense of such Proceeding in each of which cases the Expenses of counsel employed by the Employee, Officer, Director, Board or Committee Member shall be paid by the Church.

4) The Church shall not be entitled to assume the defense of any Proceeding brought by or in the right of the Corporation or was to which the Employee, Officer, Director, Board or Committee Member shall have made the conclusion provided for in Section 5(b)(2) above.

c) The Corporation shall not be liable to indemnify an Employee, Officer, Director, Board or Committee Member under this Article VIII for any amounts paid in settlement of any Proceeding without the Church's prior written consent. The Church shall not settle any action or claim in any manner that would impose any penalty or limitation on an Employee, Officer, Director, Board or Committee Member without the Employee, Officer, Director, Board or Committee Member's prior written consent. Neither the Church nor an Employee, Officer, Director, Board or Committee Member will unreasonably withhold its or his or her consent to any proposed settlement.

Section 6 **Other Rights and Remedies:** The rights of indemnification provided under this Article VIII are not exhaustive and shall be in addition to any rights to which an Employee, Officer, Director, Board or Committee Member may otherwise be entitled by contract or as a matter of law. Irrespective of the provisions of this Article VIII, the Church may, at any time and from time to time, indemnify Employee, Officer, Director, Board or Committee Member and other persons to the full extent permitted by law, whether about past or future matters.

Section 7 **Continuation of Indemnity:** All obligations of the Corporation under this Section shall survive the termination of an Employee, Officer, Director, Board or Committee Member's service in any capacity covered by this Article VIII.

Section 8 **Insurance:** The Corporation may purchase and maintain insurance on behalf of any Employee, Officer, Director, Board or Committee Member or other person or any person who is or was serving at the request of the Church as an Employee, Officer, Director, Board or Committee Member or agent of an Other Enterprise against liability asserted against such person and incurred by such person in any capacity or arising out his and her status as such, whether or not the Church would have the power to indemnify such person against such liability under the provisions of applicable statues, this Article, or otherwise.

Section 9 **Benefit:** The provisions of this Article VIII shall inure to the benefit of each Board Member or officer and his or her respective heirs, personal representatives, and assigns and the Corporation, its successors and assigns.

Section 10 **Severability:** In case any one or more of the provisions contained in this Article VIII shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Article VIII, but this Article VIII shall be construed as if such invalid, illegal, or unenforceable provision or provisions had never been contained herein.

ARTICLE X: Church Membership

Section 1 **Membership:** The membership of Friendship Methodist Church shall include all people who have received Christian baptism in the local congregation or elsewhere, have professed their faith that Jesus Christ is their Savior, have taken the vow of membership in the Friendship Methodist Church, and have not been removed pursuant to Section 3 of this Article.

Section 2 **Duties of Members:** Prior to or in conjunction with membership, individuals must attend a Newcomer Orientation (or equivalent), meet with a member of the pastoral staff, and agree to membership vows in front of the congregation at a worship service of Friendship Methodist Church. Members of the church vow to support the church through their prayers, presence, gifts, service, and witness. Upon joining Friendship Methodist Church, members are expected to be an active participant in weekly worship, find a place within the church to volunteer, and actively seek an adult discipleship community or similar small group.

Section 3 **Removal of Members:** Any Member may be removed from membership by death, notice of withdrawal to the Church or transfer of membership to another Church. A member who fails to attend and appear at the Church for a period of no less than two years may be removed as a Member by a two-thirds vote of the Board at its annual meeting. Membership may be suspended by unanimous vote of the pastoral staff for any reason and Membership shall be terminated by two thirds vote of the Board.

Section 4 **Miscellaneous:** No other rights or privileges are afforded to the members of the Church.

Article XI: Fiscal Year

Section 1 **Fiscal Year:** The fiscal year of this corporation shall begin on the first day of January and end on the last day of December of each year.

Article XII: Dissolution

Section 1 **Dissolution:** The corporation shall be dissolved (i) through the authorization by a vote of two-thirds of the members of the corporation voting at a meeting of members to consider dissolution, or (ii) upon an order of judicial dissolution in accordance with state law. Upon dissolution of the corporation by the members, one liquidator selected by the members shall settle the corporation's affairs in accordance with state law and in the event Friendship Methodist Church, shall cease, terminate, discontinue doing business, or abandon its principal function for all reasons, the assets and property of the Church shall be given to another organization recognized as tax exempt from the Federal income tax as a 501(c)(3) organization, and shares similar purposes, principles, and mission statement of Friendship Methodist Church. The decision as to who shall receive the assets of Friendship Methodist Church shall be solely made by the Board.

Section 2 **Prohibited Dissolution:** No part of the net earnings of Friendship Methodist Church shall inure to the benefit of, or be distributable to, its employees, members, officers, directors, Committee or Board Members, or any person except that the Church shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in the furtherance of the corporation. Notwithstanding any other provisions of the Articles of Incorporation or these By-Laws of the corporation, the Church shall not carry on any activity not permitted to be carried on:

a) By a corporation exempt from Federal Income Tax, under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or by the corresponding section of any future Revenue Code of the United States of America); or

b) By a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended (or the corresponding section of any future United States Revenue Law).

Article XIII: Amendments

Section 1 **Amendments:** An amendment to these By-Laws may be proposed by any member of the Board. Such amendment shall be proposed in writing to the Board, so that the Board Members are notified at least thirty (30) days prior to the next regular or special Board meeting. Amendments may be adopted by an affirmative vote of two-thirds of the entire Board. This may include proxy votes by way of written vote, electronic vote (i.e., email), or oral vote by telephone to the Chairperson of the Board. Said proxy vote shall then be delivered to the Board.

Article XIV: Meetings of the Membership

Section 1 The Board may call, upon ten (10) days' notice, a meeting of the membership of

the Church, hereinafter known as the "Church Conference". The call of the Church Conference shall state the purposes therefore and the business to be considered. Unless determined to be different by the Board in the call of the Church Conference, the quorum for the Church Conference shall be the number of members of the Friendship Methodist Church attending such conference and any business to be considered by the Church Conference shall be conclusive if passed by a majority vote of those attending.

ADMINISTRATIVE BOARD CERTIFICATION

This is to certify that the foregoing By-Laws are a true and exact copy of the bylaws duly adopted by the Administrative Board of Friendship Methodist Church which remain in full force and effect as of the date hereof.

This further certifies that each individual member of the Administrative Board has reviewed the Conflict-of-Interest policy, has determined that he or she has no conflicts as described herein, and will adhere to the policy in the future.

Dated: _____, 2023

_____
By: Billy Shingler
Its: Administrative Board Chairperson

Administrative Board

_____	_____
By: Homer Breckenridge, II	By: Mike Carr
_____	_____
By: Pam Cunningham	By: Jim Jernigan
_____	_____
By: Alex Jernigan	By: Joey Harvey
_____	_____
By: Brittany Bowen	By: Dell Shingler
_____	_____
By: Ronny Shingler	By: Kathy Reese