

**BYLAWS OF
ORANGE BEACH METHODIST CHURCH,
a Nonprofit Corporation
(March 19, 2023)**

ARTICLE 1. NAME. This nonprofit corporation (hereinafter referred to as the “Church”) is named Orange Beach Methodist Church (also referred to as “OBMC”).

ARTICLE 2. PRINCIPAL OFFICE. The principal office and the registered agent for service of process of the Church are listed in the Articles of Incorporation (the “Articles”) or as otherwise designated by the Council Members from time to time in the official records of the Alabama Secretary of State.

ARTICLE 3. PURPOSES & INTERPRETATIVE GUIDE:

3.1 Religious Purpose. This Church is exclusively charitable and religious as described in the Articles. The Church initially intends to edify and equip believers for service and to share the love of Christ with all.

3.2 Tax Exemption. This Church is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), including making distributions to other organizations which qualify as exempt organizations under Section 501(c)(3) of the Code.

3.3 Religious Beliefs and Practice. These "Bylaws" are a requirement of the corporate laws of the authorizing legislation of the State of Alabama to encourage compliance with Alabama’s corporate code. They are not intended to govern the operation of the Church in the exercise of its freedom to worship. All matters of worship, of credentialing its pastors, and the free exercise of its religious expression are expressly reserved to the province of the body of believers making up the Church.

3.4 Interpreting the Bylaws. The operation of the Church shall, in all instances, be in accordance with the Holy Scriptures and its doctrines, policies and procedures, all of which are hereby adopted by reference as an integral part of the governing documents for the Church.

3.4.1 If a dispute arises over the interpretation or enforcement of the Articles of Incorporation and/or the Bylaws, between Members of the Church or between Leadership Council and Members, etc. (an "Internal Dispute"), then the interpretation of the Lead Pastor shall be controlling and shall not be subject to review by Alabama state courts or by United States federal courts.

3.4.2 In the event that the Lead Pastor determines that an issue is not addressed by the Articles, Bylaws or other founding documents of the Church, the Leadership Council is empowered to enact such rules and regulations it deems fit under the circumstances.

ARTICLE 4. MEMBERSHIP:

Church Membership qualifications, establishment and removal shall be as prescribed in the adopted Statement of Doctrines and Beliefs. Members of the Church shall serve as members of the Corporation. Meetings of the Members of the Church called a Church Conference may be called from time to time by the Leadership Council or by the Lead Pastor of the Church. A meeting of the membership of the church shall be held at least annually.

ARTICLE 5. CHURCH GOVERNANCE

5.1 The affairs of the Church are managed by the members of the Leadership Council pursuant to Governance Policy hereto which more specifically prescribes the procedures for governance of the Church, under the guidance of the Lead Pastor and in conformity with the adopted Statement of Doctrines and Beliefs of the Church.

5.2 Initial Members of the Leadership Council

OBMC endeavors to maintain continuity of leadership from the prior Church Council of its predecessor organization, Orange Beach United Methodist Church. As such, the initial members of the Leadership Council shall be made up of some members of the existing Church Council as designated in the Articles of Incorporation and as otherwise determined thereby in accordance with the Governance Policy hereto regarding Governance.

5.3 THE CONGREGATION, “CHURCH CONFERENCE”

The powers of this congregation are vested in the Congregational Meeting which shall be known as the Church Conference, called and conducted as provided herein. Specific authority is delegated to the Leadership Council or other organization units in this document and the Governance Policy hereto; all remaining authority is retained by the Congregation, who has the authority to:

- a. Affirm the call of a Lead Pastor;
- b. Purchase real property;
- c. Hold title to and use its property for any and all activities consistent with its purpose;
- f. Sell, mortgage, lease, transfer, or otherwise dispose of its real property by any lawful means;
- h. Approve the nominations as presented to and approved by the Leadership Council by the nominating Committee, at any Church Conference and require that they carry out their duties in accordance with the bylaws;
- i. Vote on any other matter before the congregation at the annual meeting or any special congregational meeting called in accordance with the provisions in these bylaws;

Authority to affirm the call of a lead pastor shall be by at least a 70% majority ballot vote of members present and voting at a meeting legally called for that purpose.

Consistent with the faith and practice of the church, every pastor shall:

- a. Lead the Church in its mission, to do long-range planning, to set goals and priorities, and to evaluate its activities in light of its mission and goals.
- b. Preach and teach the Word
- c. Conduct oversight of the administration of sacraments of baptism and communion
- d. Conduct public worship
- e. Provide pastoral care: visit the sick and distressed, counsel those in need or refer them to a qualified counselor
- f. Perform marriages and funerals
- g. Seek out and encourage qualified persons to prepare for the ministry of the Gospel, and equip and encourage people for leadership roles within the church
- i. Oversee the preparation and distribution of information pertaining to this church and its wider ministry through distribution of its periodicals and other publications (e.g., church newsletter and local newspapers)

The service of the pastor shall be included in a letter of call. The specific duties of the pastor, compensation, and other matters pertaining to the the call of this church, when accepted by a pastor, shall constitute a continuing mutual relationship and commitment which, except in the case of the death of the pastor, shall be terminated for the following reasons:

- a. mutual agreement to terminate the call
- b. resignation of the pastor, which shall become effective, unless otherwise agreed, 30 days after the date on which it was submitted
- c. the physical or mental incapacity of the pastor
- d. disqualification of the pastor through discipline on grounds of doctrine, morality, or continued neglect of duty
- e. the dissolution of the church

At a time of pastoral vacancy, an interim pastor may be appointed by the Leadership Council. When an associate pastor is called to serve, the privileges and responsibilities of each pastor shall be specified in documents to accompany the call and to be drafted in consultation involving the Leadership Council. As occasion requires, the documents may be revised through a similar consultation. Pastors shall ensure accurate parochial records are kept. The pastor shall be responsible to assign the task or to keep accurate parochial records of all baptism, marriages, burials, partners received, dismissed or excluded from this church, and shall submit a summary of such statistics annually to the church.

The pastor must become a member of the church.

ARTICLE 6. OFFICERS:

6.1 The Initial Officers are as indicated in the Articles of Incorporation. The Leadership Council shall be as prescribed in the Governance Policy on Governance attached hereto.

6.2 Inspection. The funds and books of the Church are at all times subject to verification and inspection of the Leadership Council.

6.3 Vacancies. A vacancy on the Leadership Council because of death, resignation, removal, disqualification or otherwise, may be filled by the Leadership Council for the unexpired portion of the term or as otherwise indicated in the Governance Policy.

6.4 Other. The Leadership Council may appoint work groups as the Leadership Council or its members see fit; define their authority and duties from time to time.

ARTICLE 7. AMENDMENTS. These Bylaws, the Governance Policy and the Articles of Incorporation may be altered, amended or repealed or restated by a 80% majority of the full Leadership Council, if at least three day's written notice is given of the proposed changes.

ARTICLE 8. NON-LIABILITY. The Members of the Church are not to be considered as legal "partners" or "joint venturers" for any purpose. No Member, officer, agent or employee is liable for the acts or failure to act of another Member, officer, agent or employee of the Church, nor shall a Member, officer, agent or employee be liable for acts or failure to act under these Bylaws, excepting only acts or omissions arising out of willful misfeasance to the extent provided by law.

ARTICLE 9. INDEMNIFICATION:

9.1 Statement of Intent. To the fullest extent of Alabama law, the Church intends to protect those Indemnified Parties (defined below) who serve the Church from personal liability for

claims for monetary damages for acts or omissions in their representative capacity or as an agent of the Church, including but not limited to, the costs of defending against these claims

9.2 “Indemnified Party.” For purposes of this Article, “Indemnified Party (Parties)” means: (i) Directors of the Church, (ii) Officers of the Church, (iii) all persons who serve on a board, council or committee of the Church to the extent that the claim pertains to their service or for other service of the Church in an advisory capacity and further provided that they are acting within the course and scope of their position.

9.3 Mandatory Indemnification. The Church shall indemnify, defend, protect and hold harmless the Indemnified Parties for, from and against claims or charges against them (including their spouses) arising from (i) the performance of duties within the scope of their authority to the maximum extent allowed by law or (ii) for negligence (but not for gross negligence) occurring during the performance of those duties to the extent of applicable insurance. (In its sole and absolute discretion, the Leadership Council may, but is not required to, extend indemnity and defense costs in excess of applicable liability insurance to claims arising from negligence or gross negligence.)

9.3.1 The Church shall indemnify, defend, protect and hold harmless an Indemnified Person who is made a party to a proceeding arising from past or present service in that capacity for the Church or service performed at the request of a Director, officer or pastor in advance of final disposition of the proceeding.

9.3.2 Indemnification and advancement of expenses is mandatory in all circumstances in which indemnification or advancement of expenses, as the case may be, is permitted by law in connection with: (i) a proceeding in which the indemnitee is the defendant; or (ii) a proceeding (or part thereof) initiated by the indemnitee only if the proceeding (or part thereof) was authorized in writing in advance by the Board of Directors of the Church.

9.3.3 Permissive Indemnification. To the extent authorized from time to time by the Leadership Council acting in their sole and absolute discretion, the Church may, but need not, provide a defense and/or indemnity and may advance expenses to Members, employees and agents of the Church, as permitted by law for claims arising out of their service to the Church.

9.3.4 Repeal or Modification. Repeal or modification of this Article is prospective only and shall not adversely affect limitations on the personal liability of an Indemnified Party of the Church existing at the time of repeal or modification.

9.3.5 Directors and Officers Liability Insurance. The Directors (Leadership Council) may obtain Directors and Officers liability insurance.

ARTICLE 10. FINANCES, FISCAL YEAR, NONPROFIT OPERATION, BONDING AND CORPORATE SEAL & GOVERNANCE:

10.1 Governance. The Church's governance is the responsibility of the Leadership Council as provided for herein and in the Governance Policy hereto.

10.2 Contracts. In addition to the officers authorized by these Bylaws, the Leadership Council may authorize a committee, officer or officers or agent, to sign contracts or to execute and to deliver instruments in the name of, and on behalf of, the Church. Signing authority may be general or may be limited to specific situations.

10.3 Property. All property, whether real, personal, or mixed, shall be held by the Church.

10.4 Finances. The Church is not intended to be, and shall not operate as, a profit-making organization, nor is it founded with the expectation of making a profit. The Church shall use its funds only for purposes authorized in the Articles or in these Bylaws or by law.

10.5 Fiscal Year. The Fiscal year of the Church begins on the first day of January and ends on the last day in December in each year, or as otherwise established by the Board of Directors.

10.6 No Stock. The Church will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Church will be distributed to an Interested Person (as defined below) without full consideration. The Church may contract in due course with its Directors and officers without violating this provision.

10.7 Corporate Seal. The Board of Directors may, but are not required to, provide a corporate seal.

10.8 Books and Records. The Church should ordinarily keep books and records of account and may also keep minutes of the proceedings of its Leadership Council and committees having any of the authority of the Leadership Council.

10.9 Check Signatories. The Leadership Council shall designate members of Leadership Council from time to time to act as authorized signatories on the Church Checking Account. Checks shall require dual signatures.

ARTICLE 11. DISSOLUTION & DENOMINATIONAL AFFILIATION:

11.1 Vote to Dissolve. The Church may be dissolved by a vote of Ninety Percent (90%) of the members as allowed by law.

11.2 Vote to Affiliate. The Church may affiliate with another denomination if approved by a vote of two thirds ($\frac{2}{3}$) of the membership present.

11.2 Distribution. If the Church is dissolved, then its property shall be distributed only for charitable purposes and only as permitted by Internal Revenue Service rules and regulations governing nonprofit Corporations, the relevant portions of which are hereby incorporated by reference as a material part of these Bylaws.

ARTICLE 12. AFFILIATED TRANSACTIONS AND INTERESTED PERSONS:

12.1 Affiliated Transactions. No contract or other transaction between the Church and an Interested Person (as defined below), including the sale, lease or exchange of property to or from an Interested Person, the lending or borrowing of monies to or from an Interested Person by the Church or the payment of compensation by the Church for services provided by an Interested Person, is void or voidable merely because of the relationship or interest between the Church and the Interested Person or because an Interested Person is present at the meeting of the Leadership Council or a committee thereof which authorizes, approves or ratifies the transaction or because his, her or their votes are counted for that purpose if:

12.1.1 The fact of the relationship or interest is disclosed or known to the Leadership Council or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for that purpose without counting the votes or consents of an Interested Person(s); or

12.1.2 The contract or transaction is fair and reasonable to the Church at the time the contract or transaction is authorized, approved or ratified in light of circumstances known to those entitled to vote at that time.

12.1.3 The term "Interested Person" means:

(a) Members

- (b) Leadership Council members
- (c) Pastors
- (d) Employees
- (e) Agents
- (f) Volunteers of the Church, and

(g) A “Company” (i.e., a Church, firm, association or other entity) in which one or more of the foregoing (a)-(f) is a Leadership Council member, officer or member or owns more than 30% of the equity therein or who stands to receive a material financial benefit from the transaction.

12.1.4 Any person seeking to establish that a contract or transaction is void or voidable must first prove by a preponderance of the evidence that the provisions of subparagraphs 12.1.1 and 12.1.2 do not apply.

12.2 Loans to Directors and Officers. Notwithstanding anything herein to the contrary, the Church shall neither lend money to, nor use its credit to assist, an Interested Person, whether or not an employee or an officer.

CERTIFICATION OF ADOPTION OF BYLAWS

The undersigned hereby certifies that: (i) the undersigned is the duly elected Secretary Orange Beach Methodist Church; (ii) that these are the Bylaws of the Church which were approved at a duly called meeting of the Church Council of Orange Beach United Methodist Church and unanimously approved by the Incorporators of Orange Beach Methodist Church; (iii) they shall become legally binding as of March 19, 2023.

IN WITNESS WHEREOF, I signed my name to be legally binding as of the Effective Date.

Secretary
Mollie Renee Coker