

BYLAWS

OF

[LOCAL UMC CONGREGATION], INC.

ARTICLE I

General

Section 1. Name. The name of the corporation is [**Local UMC Congregation**], Inc. (the “Corporation”).

Section 2. Address. The post office address of the Corporation’s initial registered office is [**address**]. The initial registered agent in charge of the initial registered office is [**name**].

Section 3. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December next succeeding.

ARTICLE II

Membership

Section 1. General. The Corporation shall have one (1) class of members (the “Members”) comprising individuals who are members of the congregation of [**local UMC congregation**] (the “Church”). Membership in the congregation of the Church shall be governed by criteria established from time to time by the Board of Trustees of the Corporation, consistent with *The Book of Discipline of The United Methodist Church*, as enacted from time to time by the General Conference of The United Methodist Church (the “*Discipline*,” the provisions of which are incorporated herein by reference). All Members shall be entitled to receive notice of and to attend meetings of the Members of the Corporation.

Section 2. Annual Meeting. There shall be an annual meeting of the Members of the Corporation. The annual meeting of the Members shall be held at such place and time as the *Discipline* shall specify for a regular meeting of the Charge Conference. At the annual meeting, the principal officer and chief financial officer of the Corporation, or their designees, shall report on the activities and financial condition of the Corporation. In addition, the Members shall consider and act upon such other matters as may be raised consistent with the notice requirements of Section 5 of this Article II.

Section 3. Regular Meetings. The Corporation may hold regular meetings of the Members, as fixed by these Bylaws and in accordance with requirements stated in the *Discipline* for meetings of the Charge Conference, for the purpose of considering and acting upon such matters as may be raised consistent with the notice requirements of Section 5 of this Article II.

Section 4. Special Meetings. Special meetings of the Members of the Corporation may be called at any time by those authorized in the *Discipline* to call a special meeting of the Charge Conference. A special meeting shall be held at a time and place specified by the caller or callers of the special meeting. Notice of such special meeting and the purposes of such special meeting shall be given in accordance with the requirements of Section 5 of this Article II. No business other than that specified in the notice shall be transacted at any special meeting.

Section 5. Notice of Meetings. The Corporation shall give oral or written notice of meetings of Members in a fair and reasonable manner and in accordance with the requirements stated in the *Discipline* for notice of a meeting of the Charge Conference. Notice is fair and reasonable if the following occur:

(a) The Corporation notifies the Corporation's Members of the place, date, and time of each annual, regular, and special meeting of the Members not less than ten (10) days before the meeting date, if the notice is mailed by first class or registered mail, or, if notice is mailed by other than first class or registered mail, thirty (30) days to sixty (60) days before the meeting date.

(b) Notice of an annual or a regular meeting includes a description of any matter or matters to be considered at the meeting that must be approved by the Members.

(c) Notice of a special meeting includes a description of the purpose for which the meeting is called; and

(d) If the Corporation's membership consists of more than one thousand (1,000) Members, notice of the place, date, and time of an annual, a regular, or a special meeting, and in the case of a special meeting, the purpose of the special meeting, may be given by one (1) publication in a newspaper of general circulation, printed in English, in the county in which the Corporation has its principal office if the publication is made not less than ten (10) days and not more than thirty (30) days before the meeting date.

A written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to Members constitutes a written notice or report if addressed or delivered to the Member's address shown in the Corporation's current official registry of Members, or if Members are residents of the same household and have the same address in the Corporation's current official registry of Members, if addressed or delivered to one (1) of the Members at the address appearing on the current official registry of Members.

Written notice by the Corporation to a Member is effective when mailed, if correctly addressed to the Member's address shown in the Corporation's current record of Members. A written notice transmitted by facsimile or electronic mail is effective when received. Oral notice is effective when communicated.

Except as provided by statute, if an annual, a regular, or a special meeting of Members is adjourned to a different date, time, or place, it is not required that notice be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment.

Section 6. Waiver of Notice. Notice may be waived in a writing, signed by the Member entitled to notice, and filed with the minutes or the corporate records. Attendance at or participation in any meeting (a) waives objection to lack of notice or defective notice unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and (b) waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the Member objects to considering the matter when the matter is presented.

Section 7. Quorum. The Members present and voting at any duly announced meeting shall constitute a quorum at all meetings of the Members. After a vote is represented for any purpose at a meeting, the vote is considered present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting. Any meeting of the Members, including annual and special meetings or any adjournments thereof, may be adjourned to a later date although less than a quorum is present. Unless at least one-third (1/3) of the membership is present, in person, the only matters that may be voted upon at an annual or a regular meeting of the Members are those matters that are described in the meeting notice.

Section 8. Vote of Members. Unless otherwise provided in the Articles of Incorporation or these Bylaws, each Member of the Corporation shall be entitled to one (1) vote on each matter properly to come before the Members.

Section 9. Action by Written Consent. Any action required or permitted to be approved by the Members may be taken without a meeting of the Members if the action is approved by Members holding at least eighty percent (80%) of the votes entitled to be cast on the action. The action must be evidenced by at least one (1) written consent describing the action taken that meets the following conditions:

- (a) Is signed by the Members representing at least eighty percent (80%) of the votes entitled to be cast on the action; and
- (b) Is included in the minutes or filed with the Corporation's records reflecting the action taken.

Requests for written consents must be delivered to all Members.

Section 10. Action by Written Ballot. Any action that may be taken at an annual, regular, or special meeting of the Members may be taken without a meeting if the Corporation delivers a written ballot to every Member entitled to vote on the action. A written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A solicitation for votes by written ballot must (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to

approve each matter, and (c) specify the time by which a ballot must be received by the Corporation to be counted. A written ballot may not be revoked.

Section 11. Means of Communication. The Corporation and the Board of Directors may (a) permit a Member to participate in an annual, a regular, or a special meeting by or (b) conduct an annual, a regular, or a special meeting through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. A Member participating in a meeting by such means shall be considered present in person at the meeting.

Section 12. No Proxy Voting. Members of the Corporation may not vote by proxy.

### ARTICLE III

#### Board of Directors

Section 1. Directors. The affairs of the Corporation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Articles of Incorporation and these Bylaws. At all times, the Board of Directors shall comprise those persons who are members of the Board of Trustees, as that body is described in the *Discipline*, of the Church (the “Board of Trustees”); provided, however, that if the members of the Board of Trustees shall, at any time and for any reason, number fewer than three (3), then the Board of Directors of the Corporation shall elect one (1) or more additional directors of the Corporation from the membership of the congregation of the Church, such that the directors of the Corporation always shall number at least three (3). The directors of the Corporation elected by the Board of Directors pursuant to the procedure set forth in the preceding sentence automatically shall be removed from the Board of Directors of the Corporation once the

members of the Board of Trustees again number three (3) or more. A director may serve any number of consecutive or nonconsecutive terms.

Section 2. Quorum and Voting. Unless otherwise provided in the Articles of Incorporation, these Bylaws, or the *Discipline*, one-third (1/3) of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of any business properly to come before the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3. Regular Meetings. The Board of Directors may hold regular meetings, as fixed by these Bylaws and in accordance with the requirements of the *Discipline* for meetings of the Board of Trustees, for the purpose of transacting such business as properly may come before the Corporation's Board of Directors. Reasonable notice of the date, time, and place of the meeting shall be provided to the directors, pursuant to the *Discipline*, prior to such meeting.

Section 4. Special Meetings. Notwithstanding the preceding Section 3, the Board of Directors may hold special meetings for any lawful purpose upon call as fixed by the *Discipline* for meetings of the Board of Trustees. A special meeting shall be held at such date, time, and place within or without the State of Indiana as is specified in the call of the meeting. The purpose of any such meeting need not be specified. Each meeting of the Board of Trustees shall constitute a special meeting of the Corporation's Board of Directors, without separate call or notice, provided that all members of the Corporation's Board of Directors received proper notice of such meeting under the *Discipline* and governing law.

Section 5. Notice of Special Meetings and Waiver. The Corporation shall give oral or written notice of special meetings of the Board of Directors in a fair and reasonable manner and in accordance with the requirements stated in the *Discipline* for notice of a meeting of the Board of Trustees.

Section 6. Waiver of Notice. Notice may be waived in a writing signed by the director entitled to the notice and filed with the minutes or the corporate records. Attendance at or participation in any meeting of the Corporation's Board of Directors shall constitute a waiver of notice of such meeting unless the director shall, at the beginning of the meeting or promptly upon the director's arrival, object to holding the meeting and does not vote for or assent to action taken at the meeting.

Section 7. Means of Communication. The Board of Directors, or a committee thereof, may (a) permit a director or a committee member to participate in a meeting by or (b) conduct a meeting through the use of any means of communication by which all directors or committee members participating may simultaneously hear each other during the meeting. A director or committee member participating in a meeting by such means shall be considered present in person at the meeting.

Section 8. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by each director or committee member and such written consent is included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent shall be effective when the last director or committee member signs the consent, unless the consent specifies a prior or



subsequent effective date. A consent signed as described in this section shall have the effect of a meeting vote and may be described as such in any document.

#### ARTICLE IV

##### Officers

Section 1. General. The officers of the Corporation shall be the same positions and persons as from time to time serve as officers of the Board of Trustees. Upon becoming an officer of the Board of Trustees, a person automatically shall be elected as and become the respective officer of the Corporation, and upon ceasing to be such officer of the Board of Trustees, such person automatically shall cease to be the respective officer of the Corporation.

Section 2. Duties of Officers. Each officer of the Corporation shall perform such functions and duties as correspond to his or her respective office with the Board of Trustees, and such other functions and duties as are normally discharged by such officer or as the Board of Directors or the principal officer of the Corporation may assign. An officer designated by the Board of Directors of the Corporation shall prepare minutes of the meetings of the Board of Directors and authenticate records of the Corporation, as necessary.

#### ARTICLE V

##### Committees

Section 1. Executive Committee. The Board of Directors may, by resolution adopted by a majority of the directors then in office, designate two (2) or more directors of the Corporation to constitute an Executive Committee which, to the extent provided in such resolution and consistent with applicable law and the *Discipline*, shall have and exercise all of the authority of the Board of Directors in the management of the Corporation's affairs during

intervals between the meetings of the Board of Directors. The Executive Committee shall be subject to the authority and supervision of the Board of Directors.

Section 2. Other Committees. The Board of Directors may establish other committees, in addition to the Executive Committee, to accomplish the goals and perform the programs of the Corporation, provided that such committees exist and operate in accordance with the provisions of the *Discipline*, if any, concerning such committees. Such committees shall have such responsibilities and powers as the Board of Directors shall specify. Members of such committees may, but need not, be members of the Board of Directors. A committee member appointed by the Board of Directors may be removed by the Board of Directors with or without cause.

## ARTICLE VI

### Conflicts of Interest

Section 1. General Statement and Procedures. It is the policy of the Corporation and its Board of Directors that the Corporation's directors, officers, and employees carry out their respective duties in a fashion that avoids actual, potential, or perceived conflicts of interest. The Corporation's directors, officers, and employees shall have the continuing, affirmative duty to report any personal ownership, interest, or other relationship that might affect their ability to exercise impartial, ethical, and business-based judgments in fulfilling their responsibilities to the Corporation. This policy shall be further subject to the following principles:

(a) Directors, officers, and employees of the Corporation shall conduct their duties with respect to potential and actual grantees, contractors, suppliers, agencies, and other persons transacting or seeking to transact business with the Corporation in a completely impartial

manner, without favor or preference based upon any consideration other than the best interests of the Corporation.

(b) Directors, officers, and employees of the Corporation shall not seek or accept for themselves or anyone else, from any person or business entity that transacts or seeks to transact business with the Corporation, any gifts, entertainment, or other favors relating to their positions with the Corporation that exceed common courtesies consistent with ethical and accepted business practices.

(c) If a director, or a director's relative (the term "relative" includes spouses, ancestors, and descendants, whether by whole or half blood), directly or indirectly owns a significant financial interest in, or is employed by, any business entity that transacts or seeks to transact business with the Corporation, the director shall disclose that interest or position and shall refrain from voting on any issue pertaining to the transaction.

(d) Officers and employees of the Corporation shall not conduct business on behalf of the Corporation with a relative or a business entity in which the officer, employee, or his or her relative owns a significant financial interest or by which such officer, employee, or relative is employed, except where such dealings have been disclosed to, and specifically approved and authorized by, the Board of Directors of the Corporation.

(e) The Board of Directors may require the Corporation's directors, officers, or employees to complete annually (or as otherwise scheduled by the Board) a disclosure statement regarding any actual or potential conflict of interest described in these Bylaws. The disclosure statement shall be in such form as may be prescribed by the Board and may include information regarding a person's participation as a director, trustee, officer, or employee of any other nonprofit organization. The Board of Directors shall be responsible for oversight of all

disclosures or failures to disclose and for taking appropriate action in the case of any actual or potential conflict of interest transaction.

Section 2. Validity of Actions. The failure of the Corporation, its Board of Directors, or any or all of its directors, officers, or employees to comply with the conflict of interest provisions of these Bylaws shall not invalidate, cancel, void, or make voidable any contract, relationship, action, transaction, debt, commitment, or obligation of the Corporation that otherwise is valid and enforceable under applicable law.

## ARTICLE VII

### Indemnification

Section 1. Indemnification by the Corporation. To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a director, officer, member, employee, or agent of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding (a) if such person is wholly successful with respect thereto or, (b) if not wholly successful, then if such person is determined, as provided in this Article VII, to have acted in good faith, in what he or she reasonably believed to be the best interests of the Corporation (or, in any case not involving the person's official capacity with the Corporation, in what he or she reasonably believed to be not opposed to the best interests of the Corporation) and, in addition, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that his or her conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The termination of any claim, action, suit, or proceeding, civil or criminal, by judgment, order, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of

nolo contendere or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article VII.

Section 2. Definitions. (a) As used in this Article VII, the terms “claim, action, suit, or proceeding” shall include any threatened, pending, or completed claim, action, suit, or proceeding and all appeals thereof (whether brought by or in the right of this Corporation, any other corporation, or otherwise), civil, criminal, administrative, or investigative, whether formal or informal, in which a person (or his or her heirs or personal representatives) may become involved, as a party or otherwise:

(i) By reason of his or her being or having been a director, officer, member, employee, or agent of the Corporation or of any corporation where he or she served as such at the request of the Corporation, or

(ii) By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or

(iii) By reason of any action taken or not taken by him or her in any such capacity, whether or not he or she continues in such capacity at the time such liability or expense shall have been incurred.

(b) As used in this Article VII, the terms “liability” and “expense” shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.

(c) As used in this Article VII, the term “wholly successful” shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against him or her, (ii) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any action, suit, or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 3. Entitlement to Indemnification. Every person claiming indemnification hereunder (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification (a) if special independent legal counsel, which may be regular counsel of the Corporation or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the “referee”), shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in Section 1 of this Article VII and (b) if the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions which the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he or she relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions, or other evidence in any way relevant to the referee’s findings that is within the possession or control of the Corporation.

Section 4. Relationship to Other Rights. The right of indemnification provided in this Article VII shall be in addition to any rights to which any person may otherwise be entitled.

Section 5. Extent of Indemnification. Irrespective of the provisions of this Article VII, the Board of Directors may, at any time and from time to time, approve indemnification of directors, officers, members, employees, or agents of the Corporation to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

Section 6. Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Corporation (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he or she is entitled to indemnification.

Section 7. Purchase of Insurance. The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article VII and insurance protecting the Corporation's directors, officers, members, employees, agents, or other persons.

## ARTICLE VIII

### Contracts, Checks, Loans, Deposits, and Gifts

Section 1. Contracts. The Board of Directors may authorize one (1) or more officers, agents, or employees of the Corporation to enter into any contract or execute any instrument on its behalf, provided that such authorization is in accordance with the requirements of the *Discipline*. Such authorization may be general or confined to specific instances. Unless so authorized by the Board of Directors and in accordance with the *Discipline*, no officer, agent, or employee shall have any power to bind the Corporation or to render it liable for any purpose or amount.

Section 2. Checks. All checks, drafts, or other orders for payment of money by the Corporation shall be signed by such person or persons as the Board of Directors may from time to time designate by resolution, which resolution must be in accordance with the *Discipline*. Such designation may be general or confined to specific instances.

Section 3. Loans. Unless authorized by the Board of Directors and in accordance with the *Discipline*, no loan shall be made or contracted for on behalf of the Corporation and no evidence of indebtedness shall be issued in its name. Such authorization may be general or confined to specific instances.

Section 4. Deposits. All funds of the Corporation shall be deposited to its credit in such banks or other depositories as the Board of Directors may designate, in accordance with the *Discipline*. Such designation may be general or confined to specific instances.

Section 5. Gifts. The Board of Directors may accept on behalf of the Corporation any gift, bequest, devise, or other contribution for the purposes of the Corporation on such terms and conditions as the Board of Directors shall determine, provided that such acceptance is in accordance with the *Discipline*.

## ARTICLE IX

### Amendments

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Corporation, subject to the written approvals of the pastor of **[name of local UMC congregation]** and the District Superintendent of the District of the Annual Conference of which **[name of local UMC congregation]** is a part.