

Bylaws of Grainger Association of Baptists

ARTICLE I. NAME

The name of this corporation, sometimes referred to as “the Association” herein, is Grainger Association of Baptists.

ARTICLE II. ELABORATION ON THE PURPOSE OF THIS ASSOCIATION AND THE AUTONOMY OF EACH CHURCH

Section 2.1 Purposes. The purposes of this corporation, which is, in the vocabulary of the Internal Revenue Code, an “association of churches,” shall be:

1. To build the fellowship among churches of like faith and order in Grainger County, Tennessee, and adjoining counties;
2. To assist churches in strengthening their programs;
3. To encourage churches in establishing missions and new churches;
4. To provide information concerning the programs of the Tennessee Baptist Convention and the Southern Baptist Convention, and the institutions fostered by those bodies;
5. To provide a channel through which the churches may engage cooperatively in programs and projects, which they cannot sponsor themselves;
6. To engage in social services and activities as the resources of the Association permit.

As a matter of religious doctrine, this Association disclaims any right to, and shall never, exercise control over any church.

ARTICLE III. EXEMPT STATUS AND CONSTITUTIONAL RIGHTS

Section 3.1 Exempt Status. The corporation has been organized and will be operated exclusively for exempt purposes within the meaning of I.R.C. §501(c)(3) and, as such, will be exempt from taxation under §501(a). Any provision of these bylaws or of the charter which would in any manner adversely affect the corporation’s tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable requirements for the maintenance of the corporation’s tax exempt status.

Section 3.2 Constitutional Rights. This Association's structure derives in part from Baptist polity which, in turn, reflects the religious beliefs of the Association. The Association's rights of association and choice of governance are protected by the First Amendment of the United States Constitution.

ARTICLE IV. COOPERATING CHURCHES AND MESSENGERS

Section 4.1 Reception into Fellowship and Withdrawal. The Association shall be composed of messengers, "delegates" in the vocabulary of the Tennessee Nonprofit Corporation Act, from those churches that have been received into the fellowship of the Association. (The Tennessee Nonprofit Corporation Act is herein referred to as "the Act." Section (§) citations are to the Act.)

Any church desiring to be received into the fellowship of the Association shall forward an application to the Association's office. The church should include a statement of its faith and practice and declare its desire to cooperate with the Association. The credentials committee of the Association shall report the application, the results of the committee's investigation, and make recommendations to the Association in the annual or any special meeting of the Association. Upon the affirmative vote of three fourths of the messengers present and voting, the church shall be accepted into the fellowship and its messengers seated.

A church may withdraw from the fellowship of the Association simply by giving written notice to the Association.

Section 4.2 Withdrawal of Fellowship. The Association may withdraw fellowship from a church by the affirmative vote of three fourths of the messengers present and voting at a meeting of the messengers.

Section 4.3 List of Churches In Fellowship. The secretary treasurer shall maintain a list of churches in fellowship, and the name and mailing and email address of the person designated by the church to receive notice of meetings of the Association.

Section 4.4 Messengers. The messenger body shall be the ultimate governing body of the Association. Messengers shall have the rights enumerated in the charter and bylaws. (See especially §14 of the charter.)

The messenger body shall be composed as follows:

1. Each church, regardless of size, may have three (3) messengers.
2. Each church may have one (1) additional messenger for each fifty (50) members or fraction thereof, not to exceed ten (10).
3. The senior pastor of each church, the officers of the Association and chairmen of standing committees shall be messengers.

4. When, one, two or three above are totaled, they should not exceed ten (10) persons serving as messengers from a church. The church shall be responsible for determining those persons to be eliminated as messengers.
5. Each church may choose an alternate for each of its messengers. The alternate shall vote and otherwise participate as a messenger only when the messenger for whom the alternate serves is not present in a meeting.
6. Each messenger shall be an adult member in good standing with the church.

ARTICLE V. MEETINGS OF MESSENGERS

Section 5.1 Annual Meeting. An annual meeting of messengers shall be held in October on a day to be determined by the Executive Committee and communicated to the churches at least thirty days prior to the meeting. At the annual meeting, messengers shall, among other things: determine any issues as to the seating of messengers and the presence of a quorum; elect the officers of the Association; elect trustees; elect committees and designate their chairs; confirm the Association's ministry and program emphases for the coming year; and adopt a budget.

Section 5.2 Special Meetings. A special meeting of messengers may be held on such date and at such place and time as determined by the board of trustees. Only matters described in the notice of the meeting may be considered.

Section 5.3 Notice of Meetings. The secretary treasurer shall cause notice of any meeting, annual or special, of messengers to be sent to the churches in fellowship with the Association by mail or by email at least thirty days prior to the meeting.

If a meeting of the messengers is to consider amendment of the Association's charter or bylaws, approve the incurrence of indebtedness, merger, the purchase or sale of any real property, admission of churches into fellowship or the withdrawal of fellowship from churches, or dissolution, written notice of the meeting shall state that the purpose, or one of the purposes of the meeting is to consider acting on the matter, and contain or be accompanied by a copy or summary of any charter and/or bylaw amendment or state the general nature of the amendment.

Section 5.4 Parliamentary Authority. Meetings shall be conducted pursuant to *Robert's Rules of Order*.

Section 5.5 Quorum and Voting. A quorum shall exist if a messenger is present from at least seven (7) of the churches in fellowship with the Association.

Each messenger who is present at the time a vote is taken is entitled to one vote on each matter voted upon by the messengers. Except in those instances the charter, bylaws, or *Robert's Rules of Order* require a greater majority, action shall be taken by the messengers upon a simple majority of the votes cast.

Section 5.6 Visitors. Visitors are normally welcome at a meeting, and may with the permission of the moderator, speak, but may not vote.

ARTICLE VI. BOARD OF TRUSTEES

Section 6.1 General Powers. As provided in Article 14 of the charter, the “board of directors” required of a corporation is called the “board of trustees” by the Association, as permitted by T.C.A. §48-51-201.

In the interim between meetings of the messengers, and when action is required on matters the board deems not important enough to call a special meeting of the messengers, the business and affairs of the Association shall be supervised by the board, which shall exercise in the name of and on behalf of the Association the rights and privileges legally exercisable by the Association as a corporate entity, except as may otherwise be reserved by the charter or these bylaws to be exercised exclusively by the messengers. It shall otherwise act as provided in the charter and these bylaws. Without limiting the scope of the board’s responsibilities as described above, the duties of the board shall include planning the work of the Association, providing a calendar of activity and budget to be presented at the annual meeting of the messengers, and working with the director of missions in planning and promoting the work of the Association.

Section 6.2 Composition. The board shall consist of: a) the senior pastor of each church in fellowship with the Association, and b) one member of each such church nominated by the church and elected by the messengers.

Section 6.3 Tenure of Trustees. The term of office of a trustee nominated by the church and elected by the messengers shall be two years unless the trustee is appointed to serve the remainder of the term of his or her predecessor in office.

Section 6.4 Disqualification and Removal. The messengers may, by a two-thirds vote of the messengers present and voting in a meeting, declare the office of an individual trustee vacant, that is, remove the trustee. Any trustee who ceases to be a resident member of a church in fellowship with the Association becomes disqualified to continue to serve as a trustee and shall be deemed to have resigned, that is, shall be removed from office.

Section 6.5 Election, Terms of Office, and Responsibilities of the Chair and Vice Chair of the Board. At its first meeting after the annual meeting of the messengers, the board shall elect a chair and vice chair of the board from among the members of the board. The term of office shall be one year or until his or her earlier death, resignation or removal from office by the board, and his or her successor is elected by the board. The chair shall, when present, preside at all meetings of the board and the executive committee. The chair shall, unless the board chooses to do so, appoint chairs and vice chairs and determine the composition of all board committees, with the exception of the executive committee and any other “Committee of the Board,” that is, a committee which is delegated with the authority to act on behalf of the board. (See §7.1 of these

bylaws.)

The chair shall serve as spokesperson for the board. The chair shall discharge the duties of office in consultation with the director of missions. The chair shall serve as chair of the executive committee, *ex officio* member of all standing committees, and have other duties as the board may prescribe from time to time.

In the absence of the chair, the vice chair shall perform the duties of the office of the chair. He or she shall also serve as vice chair of the executive committee. He or she shall have other powers and duties as the board may from time to time prescribe.

Section 6.6 Secretary of the Board. The secretary treasurer of the Association shall take minutes of board and executive committee and standing committee meetings and otherwise function as secretary of the board. The assistant secretary treasurer shall assist the secretary treasurer, and in the absence of the secretary treasurer of the Association, the assistant secretary treasurer shall perform the duties of the secretary treasurer.

Section 6.7 Regular Meetings of the Board. The annual meeting of the board shall be held on a date, and at a time and place determined by the board which shall be immediately following the annual meeting of the messengers. At this meeting, in addition to the transaction of other business, the chair and vice chair of the board shall be elected. Other regular meetings of the board shall be on the date and at the time and place, as the board shall set.

Section 6.8 Special Meetings and Notices. Special meetings of the board may be called by the chairman of the board or by the executive committee upon five days written notice to each trustee of the date, time and place, and the purpose of the meeting.

Notices shall be by electronic mail (email), or written notice delivered personally or by mail to each trustee at his or her business or home address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice is given by electronic mail (email), such notice shall be deemed to be delivered when said communication is delivered. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the sole and express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 6.9 Quorum, Parliamentary Authority, and Participation in a Meeting. One third of the total number of trustees in office shall constitute a quorum for the transaction of business at any meeting of the board. The members of the board, or any committee designated by the board, may participate in a meeting of the board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Promptly after each meeting of the board, each trustee shall

be furnished a copy of the minutes of the meeting.

Robert's Rules of Order shall govern the interpretation of parliamentary matters at a meeting of the board if requested by a trustee, and a majority of the trustees present and voting concur.

Section 6.10 Manner of Acting at a Meeting. Each trustee shall be entitled to one (1) vote upon any matter properly submitted for a vote to the board. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the board, except as may otherwise be specifically provided by law, by the charter, or by these bylaws. Members of the board absent from any meeting shall not be permitted to vote at such meeting by written proxies.

Section 6.11 Action Without a Meeting. Any action required or permitted to be taken at a meeting by the board, or by any committee thereof, may be taken without a meeting if all voting members of the board or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the numbers of votes that would be necessary to authorize or take such action at a meeting shall be the act of the members. The action must be evidenced by one or more written consents describing the actions taken, signed in one or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the board or committee. A consent signed under this section shall have the same force and effect as a meeting vote of the board, or any committee thereof, and may be described as such in any document.

Section 6.12 Presumption of Assent. A trustee who is present at a meeting of the board at which action on any Association matter is taken shall be presumed to have assented to the action taken, unless his or her abstention or dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

ARTICLE VII. COMMITTEES OF THE BOARD

Section 7.1 Committees of the Board. The board may create "Committees of the Board" to whom the board delegates its authority to exercise specified powers of the board. However, no committee may, by virtue of the Act's prohibitions:

1. Authorize distributions;
2. Approve or recommend to the messengers, dissolution, merger or the sale, pledge or transfer of all or substantially all of the Association's assets;
3. Elect, appoint or remove trustees or fill vacancies on the board or any Committee of the Board;
4. Adopt, amend or repeal the charter or bylaws.

The creation of a Committee of the Board and appointment of members to it must be approved by a majority of all the trustees in office when the action is taken. Such committees shall be composed of one or more members.

The bylaw provisions which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board apply to Committees of the Board and their members.

Committees of the Board shall serve at the pleasure of the board.

Section 7.2 The Executive Committee. The executive committee shall be a “Committee of the Board.” It shall consist of: the director of missions; the secretary and treasurer of the Association; the chair of the board who shall serve as chair of the executive committee; the vice chair of the board who shall serve as vice chair of the executive committee; the chair of each of the standing committees.

The director of missions and the secretary treasurer of the Association shall not have the right to make a motion or vote and shall not be counted for purposes of quorum.

The purpose of the executive committee includes the following: to conserve time; to serve as the board’s agent in helping the president address routine business between regular board meetings; and it shall assist the board chair and the president in their joint responsibility to help the board function effectively and efficiently by suggesting board meeting agenda items.

It shall meet on the second Monday night of each month at a time and place chosen by the committee. Special meetings may be called by the chair of the committee or the director of missions in the manner called for special meetings of the board in §3.8.

Further, the executive committee shall have authority to act for the board on all matters except for those recited in §7.1, and those reserved by the charter and bylaws to be acted upon exclusively by the board or the messengers. In addition to its authority to take action in regard to emergency matters that cannot or should not be deferred to the next scheduled meeting of the board or that do not justify the calling of a special meeting of the board, the executive committee shall oversee the work of standing committees. It shall periodically assess the performance of the director of missions and of the secretary treasurer and assistant secretary treasurer and recommend to the board compensation and conditions of employment of these three officers.

Section 7.3 Other Committees, Not “Of the Board.” The board shall establish such standing and *ad hoc* committees, not “of the board,” as it deems appropriate to discharge its responsibilities. Each committee shall have a written statement of purpose, and composition of its membership and term of office, and such rules of procedure and policy guidelines that it, or the board, as appropriate, shall approve. Such statements shall be reviewed annually by each committee.

All these committees shall have a chair, vice chair, secretary, and a majority of their membership who are trustees. The chair of the board shall have the responsibility of appointing the chairs, vice chairs, and members of the board's standing and *ad hoc* committees except the executive committee, unless the board chooses to do so, or chooses to allow the committee to elect its chair and/or vice chair.

ARTICLE VIII. OFFICERS OF THE ASSOCIATION

Section 8.1 Identification of Officers. The officers of the Association shall be: the director of missions, who shall also fill the required office of president; the secretary, who shall also be treasurer; the assistant secretary who shall also be assistant treasurer. The messengers may also create such other officers and assistant officers as the messengers deem necessary or appropriate. The same individual may simultaneously hold more than one office, except the offices of president and secretary.

Section 8.2 Officer Resignation and Removal. An officer may resign at any time by giving written notice to the secretary treasurer. An officer may be removed by the messengers.

Section 8.3 Election, Term of Office, Authority, and Responsibilities of the Director of Missions. The board shall nominate the director of missions to the messengers and the messengers shall either elect or reject the nominee. Election shall require the affirmative vote of two-thirds of the messengers present and voting. Upon election, the director of missions shall become an employee of the Association. The director of missions shall serve an indefinite term and his office and employment shall be at the pleasure of the messengers. The director of missions' compensation, and conditions of employment shall be determined by the board following the receipt of recommendations from the executive committee.

The director of missions shall fill the statutorily required office of president, serve as the chief executive officer, and recommend the employment and termination of employment of all employees to the board or the executive committee.

The director of missions shall be the chief advisor to and executive agent of the board and the executive committee. The director of missions shall recommend and implement board policies, keeping the board and executive committee informed on appropriate matters, consulting with the board and executive committee in a timely fashion on matters appropriate to policy-making and fiduciary functions, and serving as the key spokesperson for the Association. The director of missions shall have the authority to execute all documents on behalf of the Association and shall serve as an *ex officio* but non-voting member of all board and Association committees.

Section 8.4 Secretary and Treasurer. The offices of secretary and treasurer shall be filled by the same person and the office titled secretary-treasurer. There shall also be an assistant secretary-treasurer who shall serve in the absence of the secretary-treasurer. The board shall nominate the secretary-treasurer and assistant secretary-treasurer to the messengers and the messengers shall

either elect or reject the nominee.

Election shall require the affirmative vote of two-thirds of the messengers present and voting. Upon election, the secretary-treasurer and the assistant secretary-treasurer shall become employees or independent contractors of the Association. These officers shall serve an indefinite term and their offices and employment shall be at the pleasure of the messengers. Their compensation, and conditions of employment shall be determined by the board following the receipt of recommendations from the executive committee.

Section 8.5 Appointment Term, Authority, and Responsibilities of the Secretary-Treasurer.

The secretary-treasurer shall fill the Act's required office of secretary. The secretary-treasurer shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Association and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Association under its seal; keep a register of the post office and email address of each member of the board, which address shall be furnished to the secretary-treasurer by each trustee; and in general perform all duties prescribed in these bylaws and those generally incident to the office of secretary and such other duties as may from time to time be assigned to him or her by the president or by the board or the executive committee. The secretary-treasurer shall prepare minutes of the meetings of the board, the executive committee, any other Committee of the Board, and all standing committees of the Association, and authenticate the records of the Association.

In fulfilling the duties commonly performed by a treasurer, the secretary-treasurer shall: have charge and custody of, and be responsible for, all funds and securities of the Association; oversee the receipt of moneys due or payable to the Association from any source whatsoever, assure the deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws; oversee the disbursement of funds of the Association in accordance with the directives of the board, assuring proper vouchers for such disbursements; and render to the board, at its annual meeting and at such other times as may be requested by the board, an account of all the transactions of the treasurer and of the financial condition of the Association. The secretary-treasurer shall assure compliance with:

1. Financial standards applicable to nonprofit organizations, and;
2. Applicable federal requirements incident to the Association's tax-exempt status. The secretary-treasurer shall in general perform all of the duties incident to the office of treasurer.

ARTICLE IX . OTHER OFFICIALS, NOT OFFICERS, OF THE ASSOCIATION

Section 9.1 Identification. The messengers shall elect a moderator, and vice moderator each year at the annual meeting. Each official shall be elected to a term of one year. Nominations shall be offered by the nominating committee.

Section 9.2 Moderator and Vice Moderator. The moderator shall preside at meetings of the messengers. The vice moderator shall preside in the absence of the moderator.

ARTICLE X. COMMITTEES OF THE ASSOCIATION

Section 10.1 Committees. The association may, by action of the messengers, create and eliminate committees, standing and *ad hoc*, the latter being for a special matter and limited time. The director of missions shall be a member of all committees without the privilege making a motion or voting. Each committee shall be composed of at least three (3) persons. The membership, with one member designated as chair, shall be nominated by the nominating committee and elected by the messengers.

Section 10.2 Committee on Committees. The committee on committees shall be elected by the messengers after receiving nominations from the nominating committee. It shall prepare and maintain an *Association Committee Manual*. That manual shall identify the committees, describe their compositions, election of the members, officers and the manner of their selection, responsibilities, quorum, and manner of acting. The initial manual and any amendments thereto shall be approved by the messengers. The manual shall be updated by the Committee on Committees to reflect changes in committees as the result of messenger action.

The committee on committees may bring recommendations regarding committees of the Association to the messengers from time to time.

ARTICLE XI. STANDARDS OF CONDUCT

11.1 Good Faith Duty. An officer and a trustee shall discharge all duties:

1. In good faith;
2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the officer or trustee reasonably believes to be in the best interests of the Association.

11.2 Reliance. In discharging such duties, an officer and trustee is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1. One or more officers or employees of the Association whom the officer or trustee reasonably believes to be reliable and competent in the matters presented;
2. Legal counsel, public accountants, or other persons as to matters the officer or trustees reasonably believes are within the person's professional or expert competence; or
3. A committee of which the trustee or officer is not a member, as to matters within its jurisdiction, if the trustee or officer reasonably believes the committee merits confidence.

A trustee may rely on one or more volunteers of the Association, and upon religious authorities, religious leaders, or other persons whose positions or duties the trustee reasonably believes justify reliance and confidence, and whom the trustee reasonably believes to be reliable and competent in the matters presented.

An officer or trustee is not acting in good faith if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

Section 11.3 Trustee's Duty to Disclose. In discharging board or committee duties, a trustee must disclose, or cause to be disclosed, to other board or committee members information not already known by the other board or committee members but known to the trustee to be material to the discharge of their decision-making or oversight functions, except that disclosure is not required to the extent that the trustee reasonably believes that doing so would violate a duty imposed by law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

Section 11.4 Officer's Duty to Inform. The duty of an officer includes the obligation to inform:

1. The superior officer to whom, or the board or the committee thereof to which, the officer reports, of information about the affairs of the Association known to the officer, within the scope of the officer's functions and known to the officer to be material to the superior officer, board or committee; and
2. The officer's superior officer, or another appropriate person within the Association, or the board, or a committee thereof, of any action or probable material violation of law involving the Association or material breach of duty to the Association by an officer, employee, or agent of the Association, that the officer believes has occurred or is likely to occur.

Section 11.5 Liability. An officer is not liable for any action taken as an officer or any failure to take any action, if the officer performed the duties of office in compliance with this Article. A trustee is not liable for any action taken as a trustee or any failure to take action, if the trustee performed the duties of the office in compliance with this Article, or if the trustee is immune from suit under §48-58-601 of the Act.

ARTICLE XII. CONFLICTS OF INTEREST

Section 12.1 Definition and Handling. A trustee's or officer's conflicting interest transaction is a transaction effected or proposed to be effected by the Association, or an entity controlled by the Association:

1. To which, at the relevant time, the trustee or officer is a party;
2. Respecting which, at the relevant time, the trustee or officer had knowledge and a material financial interest known to the trustee or officer; or
3. Respecting which, at the relevant time, the trustee or officer knew that a related person was a party or had a material financial interest.

“Material financial interest” means a financial interest in a transaction that would reasonably be expected to impair the objectivity of the trustee's or officer's judgment when participating in action on the authorization of the transaction.

The board and the trustee(s) or officer(s) with the conflict of interest shall handle such matters in conformity with the relevant provisions of the Act, including, but not limited to Part 7 of T.C.A. §48-58, and with the advice of legal counsel as deemed prudent.

ARTICLE XIII. INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 13.1 Mandatory Indemnification of Trustees. To the maximum extent permitted by the provisions of §48-58-501 *et seq.* of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this section which occur subsequent to the effective date of such amendment), the Association shall indemnify and advance expenses to any person who is or was a trustee or officer of the Association, or to such person's heirs, executors and administrators, for the defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the “proceeding”), to which such person was, is, or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the proceeding, all fines (including any excess tax assessed with respect to an employee benefit plan), judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

1. The proceeding was instituted by reason of the fact that such person is or was a trustee or officer of the Association; and
2. The trustee or officer conducted himself or herself in good faith, and he or she reasonably believed; (A) in the case of conduct in his or her official capacity with the Association, that his or her conduct was in its best interest; (B) in all other cases, that his or her conduct was at least not opposed to the best interests of the Association; and (C) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The conduct of

a trustee or officer with respect to an employee benefit plan for a purpose he or she reasonably believed to be in the interest of the participants in, and beneficiaries of, the plan, shall be conduct that satisfies the requirements that such person's conduct was at least not opposed to the best interest of the Association. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the trustee or officer did not meet the standard of conduct herein described.

Section 13.2 Permissive Indemnification of Employees and Agents. The Association may, to the maximum extent permitted by the provisions of §48-58-501 *et seq.* of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a proceeding to any person who is or was an employee or agent of the Association, or to such person's heirs, executors and administrators, to the same extent as set forth in subsection 13.1 above. The Association may also indemnify and advance expenses in a proceeding to any person who is or was an employee or agent of the Association to the extent, consistent with public policy, as may be provided by the charter, by these bylaws, by contract, or by general or specific action of the board.

Section 13.3 Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in 13.1 above is contractual between the Association and the person being indemnified, and his or her heirs, executors and administrators, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the charter, these bylaws, a resolution of the board, by the purchase and maintenance by the Association of insurance on behalf of a trustee, officer, employee or agent of the Association, or by an agreement with the Association providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized. The rights of indemnification and advancement of expenses set forth in this Article shall also apply, as appropriate, to any person who was an officer, trustee, employee or agent, or to such person's heirs, executors and administrators, of any association, corporation, partnership or trust which was a predecessor to this Association, and to any officer, trustee, employee or agent of the Association, or such person's heirs, executors and administrators, who served in any capacity for another association, corporation, partnership or trust at the request of this Association.

Section 13.4 Non-Limiting Application. The provisions of this Article shall not limit the power of the Association to pay or reimburse expenses incurred by a trustee, officer, employee or agent of the Association in connection with such person's appearing as a witness in a proceeding at a time when he or she has not been made a named defendant or respondent to the proceeding.

Section 13.5 Prohibited Indemnification. Notwithstanding any other provisions of this Article, the Association shall not indemnify or advance expenses to or on behalf of any trustee, officer, employee or agent of the Association, or such person's heirs, executors, or administrators:

1. If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Association, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under §4-58-302; or
2. In connection with a proceeding by or in the right of the Association in which such person was adjudged liable to the Association; or
3. In connection with any other proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

Section 13.6 Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

ARTICLE XIV. CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 14.1 Contracts and Employment of Agents. The board may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Association; and such authority may be general or confined to specific instances. The board is specifically authorized to enter into such agreements as, in its discretion, it may deem necessary or desirable, with qualified individuals, institutions or agencies, to act as custodians or investment managers of the Association's funds; to write annuity contracts, trust agreements and other financial plans; and to perform such other financial tasks related to the management of the assets of the Association as the board may from time to time deem necessary or appropriate. Furthermore, the board shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, causationists, experts, and other counsel, legal, investment or otherwise, as the board shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by such individuals or entities.

Section 14.2 Loans. No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

Section 14.3 Checks, Drafts, etc. All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association, and in such manner, as shall from time to time be determined by resolution of the board.

Section 14.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the board may select.

ARTICLE XV. AMENDMENTS

These bylaws may be amended at any time upon the affirmative vote of two-thirds of the votes cast by messengers present in person at any annual or regular meeting of the messengers or any special meeting of the messengers called for that purpose, provided the quorum requirements have been satisfied and notice was given to the messengers of the proposed meeting in writing no fewer than thirty (30) days nor more than two (2) months before the meeting date by way of written notice to the cooperating churches. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.