

Chapter 9 Appendices¹

Articles of Incorporation of the Free Methodist Church of North America

¶9000 Under the Laws of California² Office of the Secretary of State

Know All Men By These Presents:

That we, the undersigned, a majority of whom are citizens and residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a corporation under Title XII, Article I of the Civil Code of the State of California.

And We Hereby Certify:

1. That the name of the corporation shall be **The Free Methodist Church of North America**.³
- 2.+ That the purposes for which it is formed are religious, and charitable, and especially:

To conduct religious services; to cultivate social intercourse among its members and assist in improving and ameliorating the moral and social conditions of humanity; to purchase, own, sell, mortgage, and lease real estate and other property as may be necessary for the purposes of this corporation; to receive donations, to receive, manage, take, and hold real and personal property by gift, grant, devise, or bequest, and to sell or dispose of the same; and to do every thing necessary, suitable, or proper for the accomplishment of any of the purposes herein enumerated, or which shall at

¹The 1999 *Book of Discipline* Appendices included several forms (Application for Permission to Sell or Mortgage Church Property, Declaration of Trust, Suggested Articles of Incorporation, Bylaws and several ministerial and lay licenses, etc.) that may now be found in the *Pastors and Church Leaders Manual*. The historical documents on the Free Methodist Church including the historical Constitution of the Free Methodist Church of North America, General Rules, and The Ministry, may be found in previous editions of the Free Methodist Church of North America *Book of Discipline* and on the website: fmcusa.org.

²Editor's Historical Note (1943). Originally the church was incorporated under the laws of the state of New York, April 30, 1873, as "The Free Methodist General Conference of North America." The General Conference of 1916 authorized the board of trustees of the General Conference to incorporate in the state of Illinois. Pursuant to this order, a charter was granted by the state of Illinois, December 2, 1915, under the title "The Board of Trustees of the Free Methodist Church of North America." This incorporation was approved by the General Conference of 1919 and was duly authorized to assume all the duties and exercise the prerogatives of the original incorporation. The General Conference of 1931 ordered a consolidation of the several boards into a Board of Administration. The General Conference of 1935 authorized the Board of Administration to form a new incorporation. Pursuant to this order, a corporation known as "The Free Methodist Church of North America" was formed in 1937, whose articles of incorporation are set forth above.

³Although the Church's corporate name is The Free Methodist Church of North America, by action of the Board of Administration (April 2011) the Church now does business as The Free Methodist Church – USA.

any time appear conducive or expedient for the protection or benefit of this corporation.

To take and hold by donation, gift, grant, devise, or otherwise any property, real, personal, or mixed, in any state in the United States, or in any other country in behalf of and for the benefit of The Free Methodist Church of North America or any of its subsidiary interests, and the same to manage, grant and convey, lease or otherwise dispose of, and to execute such trust or trusts as may be confided to said corporation, the whole to be under the supervision of and amenable to the General Conference of the Free Methodist Church of North America.

To carry on a general publishing and printing business including that of stationers, printers, lithographers, stereotypers, electrotypers, photographic printers, photolithographers, engravers, diesinkers, book printers, account book manufacturers, dealers in parchments, dealers in stamps, advertising agents, designers, draftsmen, ink manufacturers, booksellers, publishers, paper manufacturers, and dealers in the materials used in the manufacture of paper, and dealers in or manufacturers of any other articles or things of a character similar or analogous to the foregoing, or any of them, or connected therewith for the furtherance of the general objectives of this corporation.

To receive property by devise or bequest, subject to the laws regulating the transfer of property by will, and to otherwise acquire and hold all property, real or personal, including shares of stock, bonds, and securities of other corporations.

To act as trustee under any trust incidental to the principal objects of the corporation or for the benefit of any of its members, or members of their families, and to receive, hold and administer and expend funds and property subject to such trusts.

To convey, exchange, lease, mortgage and encumber, transfer upon trust, or otherwise dispose of all property, real or personal.

To borrow money, contract debts, and issue bonds, notes, and debentures, and to secure the same.

To do all other acts necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation including the conduct of any business for profit, providing said profits are used for the objects of said corporation and not distributed to the members thereof.

- 3.+ That the principal office for the transaction of business of said corporation is to be located in the County of Los Angeles, State of California.
- 4.+ That the term for which said corporation is to exist is perpetual.
- 5.+ That it is a corporation which does not contemplate pecuniary gain or profit to the members thereof, and therefore there shall be no capital stock.
- 6.+ That this corporation shall be successor to and take the property of the following corporations which are hereafter to be dissolved:

The Board of Trustees of the Free Methodist Church of North America, an Illinois Corporation.

The Board of Conference Claimants of the Free Methodist Church of North America, an Illinois Corporation.

The Board of Education of the Free Methodist Church of North America, an Illinois Corporation.

The Board of Church Extension of the Free Methodist Church of North America, an Illinois Corporation.⁴

This corporation shall also become the successor of the Free Methodist Publishing House, an Illinois Corporation, and the General Missionary Board of the Free Methodist Church of North America, an Illinois Corporation, whenever the same shall be dissolved and ordered this corporation by an order of the Board of Administration of the Free Methodist Church of North America.

7. That said corporation shall be subject to the rules, regulations, and *Book of Discipline* of The Free Methodist Church of North America as from time to time adopted by the General Conference of The Free Methodist Church of North America insofar as the same do not contravene or conflict with the laws of the State of California or the several states of the United States.

⁴ Editor's Note (1943). On October 28, 1943, the Board of Administration of the General Conference of the Free Methodist Church of North America in session at Winona Lake, Indiana, took the following action: That the respective officers of the Board of Trustees of the Free Methodist Church of North America, an Illinois Corporation, the Board of Conference Claimants of the Free Methodist Church of North America, an Illinois Corporation, the Board of Church Extension of the Free Methodist Church of North America, an Illinois Corporation; the Board of Education of the Free Methodist Church of North America, an Illinois Corporation, take any necessary steps or execute any necessary papers for the dissolution of these corporations and to transfer any and all of the assets of said corporations to the Free Methodist Church of North America, a California Corporation, their successor.

The *Book of Discipline*, rules and regulations of The Free Methodist Church as from time to time adopted by the General Conference of The Free Methodist Church of North America shall at all times be a part of the bylaws of this corporation.

8. That the names and addresses of the persons who are to act in the capacity of directors until the selection of their successors, and who shall be known as trustees, are:

<i>Names</i>	<i>Addresses</i>
Claude A. Watson	Los Angeles, California
B.E. Iler	Santa Monica, California
A.G. Ball	Los Angeles, California

That the number of trustees may be changed by a bylaw duly adopted or amended by the members, authority for which is hereby expressly conferred.

In Witness Whereof, for the purpose of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this corporation including the persons named herein above as the first directors of this corporation, have executed these Articles of Incorporation this fifteenth day of January, 1937.

Claude A. Watson, B.E. Iler, A.G. Ball

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Bylaws of the Free Methodist Church of North America

Article I - Members

1. The members of the Board of Administration of The Free Methodist Church of North America, elected by the General Conference of The Free Methodist Church of North America, shall constitute the members of this corporation.
2. All meetings of members shall be held according to the bylaws, as directed by the corporation or by its Board of Directors.
3. The regular annual meeting of the members shall be held at a time and place to be fixed by the Board of Administration or a committee designated by them. The annual meeting of the members and of the Board of Directors may be held either in or out of the state of incorporation, as fixed by the Board of Administration or by its Board of Directors.

4. Written notice of the annual meeting of members shall be given to the members at least two weeks before the meeting.
5. Special meetings of the members may be called at any time for any purpose, by the president, Board of Directors, or three or more members.
6. Written notice of special meetings of the members, stating the time and in general terms the purpose or purposes shall be given to the members at least one week prior to the date of the special meeting.
7. When all the members are present at a meeting, however called or notified, and sign a written consent, or when the members present, and the members not present at the meeting, give their written consent, and the written consent is made a part of the records of the meeting, the proceedings are valid, irrespective of the manner in which the meeting is called, or the place where it is held.

Any member of the Board of Directors of this corporation may be removed from office according to the Free Methodist *Book of Discipline* and any amendments to the *Book of Discipline* duly adopted by the General Conference of the Free Methodist Church of North America.

8. At any meeting of the members, a majority of the members shall constitute a quorum to transact business.
9. Any regular or special meeting of the members may adjourn from time to time, without further notice, until a quorum is present.
10. The president, or, in his/her absence, the vice president, or, in the absence of the president and vice president, a chairman elected by the members present shall serve as the presiding officer.
11. The secretary of the corporation shall act as secretary at all meetings of the members, and in his/her absence the presiding officer may appoint any person to act as secretary.
12. At the regular annual meeting of the members following the meeting of the General Conference of The Free Methodist Church of North America, the members of the corporation shall elect by ballot a Board of Directors as constituted by these bylaws and the articles of incorporation of this corporation.

13. Meetings of the members may take place by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting in this manner constitutes presence in person at the meeting.
14. An action of the members may be taken without a meeting if the action is approved in writing, including by fax, regular mail or electronic mail, by a number of members constituting at least a quorum, so long as all members have been notified at least one day before the time required to submit a vote. The approval shall be filed with the minutes of the proceedings of the Board. After receiving notice of a requested action and before the time required to submit a vote, any member may call for a meeting to consider the action, and the action may then only be taken at a duly noticed meeting.

Article II - Directors

1. The corporate powers, business, and affairs of the corporation shall be exercised, conducted, and controlled by a Board of Directors of five members.
2. No person shall be elected a director unless he/she is a member in good standing of The Free Methodist Church of North America. If a director shall cease at any time to be a member in good standing of The Free Methodist Church of North America, he/she shall cease to be a director, but this shall not invalidate any act of the corporation, its officers or directors. Directors shall be members of the Board of Administration of The Free Methodist Church of North America.
3. Each director shall hold office for eight years or for a shorter period as elected until his/her successor has been elected.
4. Any vacancy occurring in the office of director by reason of death, resignation, or otherwise, except vacancies caused by the removal of the Board of Directors pursuant to the provisions of section 310 of the Civil Code of the State of California, shall be filled by an appointee of the majority of the remaining directors, though less than a quorum. The newly elected director shall hold office until a successor is elected at the next annual meeting, or at a special meeting called for that purpose.

When one or more of the directors gives notice of his/her/their resignation to the Board, the Board shall have the power to fill the vacancy/vacancies. Each director so elected shall hold office during the remainder of the term of office of the resigning director(s), or until a successor(s) is elected.

5. Immediately after the election of directors at the annual meeting of the members, following the meeting of the General Conference of The Free Methodist Church of North America, the directors shall meet to organize, elect officers, and transact other business.
6. The annual meeting of the Board of Directors shall be determined by the Board of Directors with the date fixed by them in connection with the annual meeting of the corporation.
7. Special meetings of the Board of Directors shall be called at any time on the order of the president or on the order of two or more directors.
8. Written notice of special meetings of the Board of Directors, stating the time and purpose of the meeting, shall be mailed or sent electronically, not later than ten days before the meeting. If all the directors shall be present at any directors' meeting, however called or noticed, and sign a written consent that is entered on the record of the meeting, or if the majority of the directors are present, and those not present sign a written waiver of notice of such meeting, whether prior to or after holding the meeting and the waiver filed with the secretary of the corporation, and entered on the record of the meeting, any business transacted at the meeting shall be as valid as if the meeting had been regularly called and noticed.
9. A majority of the directors shall constitute a quorum for the transaction of business, and every act or decision of a majority of the directors present at a meeting at which a quorum is present and duly assembled, shall be valid as the act of the Board of Directors. The directors may adjourn from time to time until a quorum is present.
10. The Board of Directors shall have full power and authority to borrow money on behalf of the corporation, including the power and authority to borrow money from any of the members, directors, or officers of the corporation, and otherwise to incur indebtedness on behalf of the corporation, and to authorize the execution of promissory notes, or other evidences of indebtedness of the corporation, and to agree to pay interest thereon; to sell, convey, alienate, transfer, assign exchange, lease, and otherwise dispose of; mortgage, pledge, hypothecate, and otherwise encumber the property, real and personal, and the franchises of the corporation; to purchase, lease, and otherwise acquire property, real and personal, on behalf of the corporation; and generally to do and perform, or cause to be done and performed, any and every act which the corporation may lawfully do and perform.
11. The directors of this corporation shall serve without compensation except for their actual expenses.

12. The Board of Directors may appoint an Executive Committee and may delegate to the committee any of the powers and authority of the Board of Directors, except the power to adopt, amend, or repeal the bylaws. The Executive Committee shall be composed of members of the Board of Directors and shall act only in the intervals between meetings of the Board of Directors, and shall be subject at all times to the control of the Board of Directors.
13. Meetings of the Board of Directors may take place by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting in this manner constitutes presence in person at the meeting.
14. Actions of the Board of Directors may be taken without a meeting if all directors individually or collectively consent in writing, including by fax, regular mail or electronic mail, to that action. The written consent(s) shall be filed with the minutes of the proceedings of the Board.

Article III - Officers

1. The executive officers of the corporation shall be the president, vice president, secretary, and treasurer.
2. All of the officers of the corporation shall be elected by ballot by the Board of Directors except the treasurer. The general church treasurer shall be the treasurer of the corporation.

Article IV - President

1. The president shall be the chief executive officer of the corporation. He/she shall preside at all meetings of the corporation and of the Board of Directors. He/she shall have general charge of the business of the corporation, shall execute, with the secretary, in the name of the corporation, all deeds, bonds, contracts, and other obligations and instruments authorized by the Board of Directors to be executed.
2. The president shall have any other powers and perform any other duties as may be assigned to him/her by the Board of Directors.

Article V - Vice President

1. The vice president shall be vested with all the powers and shall perform all the duties of the president, in case of the absence or disability of the president.

2. The vice president shall have any other powers and perform any other duties as may be assigned to him/her by the Board of Directors.

Article VI - Secretary

1. The secretary shall keep minutes of all meetings of the corporation and of the Board of Directors. He/she shall provide notices of all meetings to the members and of the Board of Directors. The secretary shall execute, with the president, in the name of the corporation, all deeds, bonds, contracts, and other obligations and instruments authorized by the Board of Directors to be executed, and, with the president, shall sign all certificates of membership of the corporation. He/she shall be the custodian of the corporate seal of the corporation, and when so ordered by the Board of Directors shall affix the seal to deeds, bonds, contracts, and other obligations and instruments. The secretary shall keep and have charge of the minutes of the meetings of the corporation and Board of Directors, the bylaws, and other papers as the Board of Directors may direct. He/she shall, in general, perform all the duties incident to the office of secretary, subject to the control of the Board of Directors. (The secretary shall perform the duties of the treasurer in case of the absence or disability of the treasurer.)
2. In case of the absence or disability of the secretary, or his/her refusal or neglect to act, notices may be provided by the president, vice president, or a person authorized by the president, vice president, or the Board of Directors.

Article VII - Treasurer

The treasurer shall ensure that full and accurate accounts of receipts and disbursements are kept. He/she shall receive and deposit, or cause to be received and deposited, all moneys and other valuables of the corporation in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors. The treasurer shall disburse, or cause to be disbursed, the funds of the corporation only as directed by the Board of Directors of the corporation and shall take proper vouchers for such disbursements. He/she shall provide the president of the Board of Directors and to the members, whenever they may require, accounts of all his/her transactions as treasurer and of the financial condition of the corporation. He/she shall, in general, perform all the duties incident to the office of treasurer, subject to the control of the Board of Directors.

Article VIII - Indemnification of Directors and Officers

1. All persons who are directors or officers of the corporation, or members of its Pension Board, shall be indemnified by the corporation against all costs and expenses (including counsel fees) actually and necessarily incurred by or imposed upon them in connection with or resulting from any action, suit, or proceeding of whatever nature to which they are or shall be made a party by reason of their being or having been a director or officer of the corporation or member of such committee or board (whether

or not they are a director or officer of the corporation or member of such committee or board at the time they are made a party to such action, suit, or proceeding, or at the time such costs or expenses are incurred by or imposed upon them, except in relation to matters as to which they shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of their duties as such director or officer or committee or board member; provided, however, that in the case of an action or proceeding which is settled or compromised, such right of indemnification shall be applicable only (a) if such a settlement or compromise is approved by the court having jurisdiction of such action, suit, or proceeding; and (b) to the extent provided in the terms of such compromise or settlement so approved. All persons shall be entitled, without demand by them upon the corporation, or any action of the corporation, to enforce their right to such indemnity in an action at law against the corporation.

2. The right of indemnification provided above shall not be deemed exclusive of any other rights to which any such person may now or hereafter be otherwise entitled and specifically, without limiting the generality of the foregoing, shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any such person in any such action, suit, or proceeding to have assessed or allowed in his/her favor, against the corporation or otherwise, his/her costs and expenses incurred therein or in connection therewith or any part thereof.

Article IX - Seal

The Board of Directors shall provide a suitable seal for the corporation, which shall be in circular form, which will contain the following inscription: The Free Methodist Church of North America, Incorporated Jan. 15, 1937, Los Angeles, California.

Article X

The *Book of Discipline*, rules and regulations of The Free Methodist Church as from time to time adopted by the General Conference of The Free Methodist Church of North America, shall at all times be a part of the bylaws of this corporation.

Article XI

The bylaws of this corporation may be amended at any annual meeting of the members of the corporation by a majority vote of those present and voting.