

MAGNOLIA COWBOY CHURCH

BYLAWS

ARTICLE 1. MEMBERSHIP

Section 1. Member Relationship Participation in the ministries and activities of the Church does not require membership or baptism. Regular and irregular visitors to the Church that are not in Member relationship to the Church are considered guests ("Guests"), and have a revocable license to attend and participate in the ministries and activities of the Church and are encouraged and welcome to do so. The congregation of the Church shall consist of staff, Members and Guests.

A Member relationship with the Church is freely offered to anyone who feels led by the Holy Spirit to enter into that relationship, and who is a born again believer in Jesus Christ, and that by the grace of God through repentance from sin and through faith in Jesus Christ has received salvation. For children and other minors, a Member relationship shall be subject to the approval of at least one parent or guardian.

Section 2. Establishing the Member Relationship Any Guest desiring a Member relationship may commence that process by publicly verbally affirming, if bodily able to do so, or affirming in any other manner acceptable to the Senior Pastor or Board of Elders, the following:

- A. That the person professes faith in Jesus Christ and desires to receive salvation through the repentance from sin;
- B. That the person has been born again by the grace of God through repentance from sin and through faith in Jesus Christ;
- C. That the person has been baptized by immersion;
- D. That the person will enroll in and complete the Connect class (or a similar class however named from time to time) offered by the Church; and has completed, read and agreed to the membership agreement;
- E. That the person accepts, and agrees to conduct themselves in accordance with, the Church's mission statement, Constitution, Bylaws and Statements of Faith published from time to time.

Section 3. Terminating the Member Relationship A Member may terminate the Member relationship with the Church at any time and for any reason. If a Member conducts himself/herself in a manner that:

- A. Violates the clear, moral teaching of Scripture,
- B. In any manner brings the name of Jesus Christ into public or Church-wide disgrace,
- C. In any manner which is believed by the Senior Pastor or the Board of Elders to be amounting to more than a disagreement about interpretation of Scripture and instead threatens to disrupt the unity of the Church, then it will be the

responsibility of the Elders under the guidance of the Senior Pastor to attempt to restore the Member in a spirit of love according to the guidelines set forth in Matthew 18:15-17 and other scriptures. If the Member fails to respond positively to the restoration attempts, upon a majority vote of the Board of Elders the Member's Member relationship may be withdrawn, or modified in any manner as determined by the Board of Elders short of total withdrawal. In warranted circumstances, his/her Guest license may also be terminated. Decisions by the Board of Elders under this Section may be appealed by the affected Member under the Christian Conciliation Procedure of these Bylaws.

Section 4. Voting Rights of Members Each Member that is eighteen (18) years of age or older has the right to vote, in person only, on any issue presented for a vote to the Church at a Church meeting where the issue is presented. Members under the age of eighteen years and Guests shall not be entitled to vote.

Section 5. Baptism One of the ordinances of this Church is baptism by immersion. The Church requires baptism by immersion for all Members and encourages Guests as an outward testimony of an inward transformation resulting from an understanding of taking on the lifestyle of Jesus Christ in faith, and in an appeal to God for a good conscience that he/she might walk in the newness of life.

ARTICLE 2. MINISTERIAL LEADERSHIP

Section 1. Pastor The Church may have one or more pastors from time to time. If there are more than one, the Board of Elders shall designate a Senior Pastor. All other pastors shall be designated as associate pastors and may have a designated area of ministry emphasis. Unless a written employment agreement exists between the Church and an individual pastor, all employment is at-will, terminable at any time by the Board of Elders or the individual.

- A. Call** Upon the occurrence of a vacancy in the pastorate, the Board of Elders is responsible for initiating the process of locating, selecting and calling a pastor. In accordance with Acts 14:23 the Board of Elders must be in consensus on a single candidate before he is presented to the Church Members for affirmation. Spiritual authority shall be vested in the new pastor by ordination with the laying on of hands by the Board of Elders. Afterwards he may be presented to the Members for affirmation.
- B. Duties** The Senior Pastor along with the counsel of associate pastor(s) the Board of Elders, shall be the spiritual leader of the congregation. He shall preach and teach the word of God, lead the Church in regularly-scheduled worship services, administer the ordinances of the Church, serve as moderator at Church meetings, provide leadership to the ministerial staff, serve as overall administrator of the

Church with counsel and accountability to the Board of Elders, work to implement the model of church structure and function set forth in the Constitution and Bylaws of the Church, and generally fulfill all his pastoral duties as the under-shepherd of Jesus Christ. (See, Ephesians 4:11-13 and 1 Timothy 5:17)

Section 2. Elders The elder body for the Church shall be a Board of Elders consisting of no less than two (2), and no more than eleven (11), Member men including the Senior Pastor who shall be a voting member of the Board of Elders.

A. Purpose and Function The Board of Elders shall serve to provide leadership in spiritual matters and legal matters, accountability to the Church, and fulfill elder duties. The Board will collectively provide a brotherhood of support and accountability for the Senior Pastor, assist the ministerial leadership with employment and other legal matters, provide guidance to the Church with difficult issues, judge matters of conflict or church discipline, and in general provide spiritual leadership, guidance and assistance wherever and whenever appropriate as directed by the Holy Spirit. An elder should abstain from his role and authority in any situation that is or could be perceived as a conflict of interest. **a. Spiritual**

Authority and Responsibility Spiritual authority and

corresponding spiritual responsibility comes from God through His Holy word and through His calling of men. Once an elder's calling has been recognized, upon his ordination as elder in the Church he will assume all spiritual authority and corresponding spiritual responsibility granted to him through Scripture. An elder's ordination continues even though he may not be currently serving on the Board of Elders.

b. Decision Making Body Elders should be able to discern God's will by hearing God's voice of inward leading, and should always desire to make decisions for the Church based on that leading, and be apt to teach others to do so as well. When judging matters of conflict or church discipline, the Board of Elders will follow God's four basic rules of judging:

i. Impartiality A judge must be absolutely impartial, not showing favoritism to the rich or sympathetic leniency to the poor, not being susceptible to a bribe of any kind, and possessing an understanding of applying decisions equally to all, even to himself.

ii. Second Witness A judge must decide matters based on the testimony of two or more witnesses, especially when a claim is made against an elder. No one can be adjudged on the testimony of only one witness.

iii. Asking for Wisdom A judge demonstrates humility and meekness by asking God for wisdom so that, like Solomon, he may make wise

decisions. God will give the elder wisdom freely and without reproach.

iv. Referral to the Divine Court Any case or matter that is too hard for the Board of Elders to find consensus must be referred directly to God in the Divine Court. In such matters the Board of Elders will then seek to discern God's determination. (See, Leviticus 19:15; Exodus 23:6-8, 9; Numbers 15:15-16; Deuteronomy 16: 18-20, 17:8-13; Daniel 7:9-10; and James 1:5-8, 2:1-4, 9)

c. Confidentiality All discussions between elders on the Board of Elders regarding church discipline or other accountability matters are strictly confidential and are not to be discussed with other Members; provided, however, elders should discuss and pray with their spouses about such matters, with the understanding that the admonition of confidentiality applies equally to those spouses.

B. Qualifications An elder must be someone the Board of Elders believes has a true calling from God that has been demonstrated by service. Prospective elders need to meet a minimum level of the scriptural qualifications in 1 Timothy 3:1-12. An elder must have an understanding and desire to see the mission of the Church and its values fulfilled under the lordship of Jesus Christ, and an understanding of the extent of his own spiritual authority and corresponding spiritual responsibility. Thus, prospective elders must be men of spiritual maturity, able to appraise the demands of service on the Board of Elders prior to acceptance.

C. Selection In January of each year, or as nearly thereto as practical, or upon the recommendation/request of any Member, or upon the occurrence of a vacancy, the Board of Elders will consider the need for additional elders to be added to the Board. After consultation with, and the acceptance by, any potential candidate, the Board of Elders will ordain each new elder by the laying on of hands.

D. Vacancies and Removal The callings of the Lord are irrevocable, but circumstances in life may lead an elder to take a sabbatical or resign from the Board of Elders, temporarily or permanently, and will advise the Board or the Senior Pastor of such intent as soon as practical. In such cases of voluntary separation from the Board, the individual shall remain an elder in the Church, shall be recognized as such, and shall remain eligible for reinstatement to the Board of Elders at their discretion.

If an elder conducts himself in a manner that:

- i. Violates the clear, moral teaching of Scripture,
- ii. In any manner brings the name of Jesus Christ into public or Church-wide disgrace,

- iii. In any manner which is believed by the Senior Pastor or the Board of Elders to be amounting to more than a disagreement about interpretation of Scripture and instead threatens to disrupt the unity of the Church,

then it will be the responsibility of the Board of Elders under the guidance of the Senior Pastor to attempt to restore the elder in question in a spirit of love according to the guidelines set forth in Matthew 18:15-17 and other scriptures. If the elder fails to respond positively to the restoration attempts, upon a majority vote of the Board of Elders the elder's position in the Board of Elders may be withdrawn, or modified in any manner as determined by the Board of Elders short of total withdrawal. Decisions by the Board of Elders under this Section may be appealed by the affected elder under the Christian Conciliation Procedure of these Bylaws.

Section 3. Professional Ministerial Staff and Support Staff

- A. Selection** If a need for additional professional ministerial staff is determined by the Board of Elders, such staff may be employed by the Church after the position is funded by the budget. The Board of Elders is responsible for initiating the process of locating, selecting and calling ministerial staff members. The Senior Pastor will make the final selection for the staff position in question.
- B. Job Descriptions** Specific and written job descriptions and duties shall be created by the Senior Pastor for each staff position added by the Board of Elders.
- C. At-Will Employment** In the absence of a written employment agreement between the Church and an individual staff member, all employment of staff members is at-will and is terminable at any time by the Board of Elders or the staff member.

Section 4. Deacon

- A. Purpose and Function** (See, Acts 6:1-4, 1 Timothy 3:1, 8-10) Deacons are directed by the Senior Pastor and Board of Elders to help carry out ministry duties. Deacons are selected, appointed, and replaced by the Senior Pastor, at his discretion. Deacons begin to serve in their position after the laying on of hands by the Board of Elders.
- B. Term of Office** Deacons serve in their roles for one year after the laying on of hands. Multiple terms may be served by mutual consent of Deacon and Senior Pastor.

ARTICLE 4. CORPORATE OFFICERS

Section 1. President The Senior Pastor shall serve as president and overall administrator of the Church as a not-for-profit Texas corporation. He will serve as moderator of Church and Board of Elder meetings and be responsible for ensuring that the daily business affairs of the Church are appropriately and effectively executed as

directed by the Board of Elders. When authorized by a current and specific resolution from the Board of Elders, the Senior Pastor shall on behalf of the Church execute and deliver all contracts and agreements of every kind, promissory notes and other loan documentation, deeds, deeds of trust, security agreements and other instruments of indebtedness and security to bind the Church.

Section 2. Clerk/Secretary The Church clerk shall serve as secretary of the Church as a not-for-profit Texas corporation. The Board of Elders may, from time to time, appoint a volunteer to fulfill the duties of the clerk, or it may assign such duties to a paid staff member. A notation of the appointment of the Church clerk shall be included in the minutes of the Board of Elders.

The clerk shall attest to the signature of the president, where and as needed, for transactions. The clerk shall keep permanent minutes of all church meetings and Board of Elder meetings (except when in confidential session) in a corporate book for the Church, which shall remain on Church premises at all times. In addition to minutes of meetings of Church leadership, the clerk shall keep permanent records of all land transactions and other important contracts and agreements as instructed by the Senior Pastor. The Church clerk shall also ensure that a proper file of all Members of the Church is maintained.

ARTICLE 5. LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 1. Limitation of Liability To the full extent permitted by Texas law, no elder or officer of the Church shall be liable to the Church or its Members for monetary damages for an act or omission in such elder's or officer's capacity, except that this Article does not eliminate or limit the liability of an elder or officer to the extent that the said individual is found liable for (1) a breach of the individual's duty of loyalty to the Church; (2) an act or omission not in good faith that constitutes a breach of duty to the Church, or an act or omission that involves intentional misconduct or a knowing violation of the law; (3) a transaction from which the individual received an improper benefit whether or not the benefit resulted from an action taken within the scope of the individual's office; or (4) an act or omission for which the liability of an individual is expressly

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provided by an applicable statute. Any repeal or amendment of this Bylaw shall be prospective only and shall not adversely affect any limitation on the liability of an individual existing at the time of such repeal or amendment. In addition to the circumstances in which the individual is not liable as set forth in the preceding sentences, the individual shall not be liable to the fullest extent permitted by any provision of the statutes of Texas hereafter enacted that further limits the liability of an officer or of a director of a corporation. The foregoing elimination of the liability to the Church or its Members for monetary damages shall not be deemed exclusive of any other rights or limitations of liability or indemnity to which an individual may be entitled under any other provision of the Certificate of Formation of the Church, contract or agreement, vote of Members and/or disinterested elders of the Board of Elders, or

otherwise.

Section 2. Indemnification To the fullest extent permitted by applicable law, if a majority of the disinterested elders of the Board of Elders approve, an elder, officer, or any individual in the professional ministerial staff or support staff (each, a "Covered Person") shall be entitled to indemnification from the Church for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Church and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by these bylaws or their respective job description, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of fraud, deceit, gross negligence, intentional misconduct or a wrongful taking with respect to such acts or omissions.

Section 3. Insurance The Church may purchase and maintain insurance, to the extent and in such amounts as the Board of Elders shall deem reasonable, on behalf of Covered Persons and such other Persons as the Board of Elders shall determine, against any liability that may be asserted against or expenses that may be incurred by any such Covered Person in connection with the activities of such Persons or such indemnities, regardless of whether the Church would have the power to indemnify such Person against such liability under the provisions of this Article. The Church may enter into indemnity contracts with Covered Persons and such other Persons as the Board of Elders shall determine and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under this Article and containing such other procedures regarding indemnification as are appropriate.

ARTICLE 6. CHURCH BUSINESS

Section 1. Finances

A. Fiscal Year The fiscal year of the Church shall be on a calendar year basis, beginning on January 1 and ending on December 31.

B. Accounting Procedures A system of accounting that will adequately provide for the handling of all funds shall be the joint responsibility of the Finance Director appointed by the Board of Elders, and of a designated non-paid elder then serving on the Board of Elders.

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C. Budget The Senior Pastor and the Board of Elders are responsible for preparing a budget for congregational affirmation prior to the beginning of each fiscal year. The Board of Elders, excluding the Senior Pastor, is to make salary and compensation recommendations for the Senior Pastor position. A proposed budget will be presented at a Board of Elders meeting for discussion. After consideration and approval by the Board of Elders, the budget must be presented to the congregation at a called business meeting for a nonbinding vote of affirmation by a majority of the Members then present. All non-budget major purchases and/or incurring of indebtedness in excess of

\$100,000.00 must be presented to the congregation for a nonbinding vote of affirmation by a majority of the Members then present. All policies related to finances can only be adopted by consensus of the Board of Elders.

D. Banking The Board of Elders shall determine, from time to time, which banking institutions the Church shall use for the finances of the Church. All checks and other negotiable instruments, and electronic transfers of funds (both to and from the Church), related to the banking activities of the Church shall be signed or otherwise authorized and overseen by the Finance Director then serving. The Senior Pastor shall have administrative oversight access to all bank and other financial accounts of the Church, and administrative oversight access to all electronic funds transfers to and from the Church, but will not have signatory authority.

Section 2. Books and Records The Church, under the auspices of the Church clerk (or the Finance Director, as applicable), shall keep and maintain a complete and accurate record of all financial accounts, membership lists, and church meeting minutes at its principal office. All books and records of the Church may be inspected by any active Member, or his agent or attorney, for any purpose at any reasonable time upon advance written request. All giving records must be sealed and only persons appointed by the Board of Elders that are restricted by confidentiality may handle these records. Section 3. Prohibition Against Sharing in Corporate Earnings No Member, Guest, officer, or person connected with the Church in any way, or any other private individual shall receive at any time any of the net earnings of pecuniary profit from the operations of the Church, provided that this shall not prevent the payment to any such person of a reasonable compensation for services rendered to or for the Church in effecting any of its purposes as shall be fixed by the Board of Elders; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Church as a corporation. All Members of the Church shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Church, whether voluntary or involuntary, the assets of the Church, after all debts have been satisfied, then remaining in the hands of the officers of the Church shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Elders may determine or as may be determined by a court of competent jurisdiction upon application of the Church, exclusively to charitable, religious, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

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Section 4. Exempt Activities Notwithstanding any other provision of these bylaws, no Member, Guest, elder, officer or other representative of the Church shall take any action or carry on any activity by or on behalf of the Church not permitted to be taken or carried on by any organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended, or by any

organization contributions to which are deductible under Section 170(c)(2) of such Code and regulations as they now exist or as they may hereafter be amended. Section 5. Adoption of Statements of Faith, Policies and Procedures As provided in Article 2, Section 2 hereof, the Board of Elders may from time to time adopt statements of faith, statements of policy and statements of procedures for the Church. Such statements may arise in connection with current issues that the elders in their capacity as under-shepherds feel should be addressed for the benefit of staff, Members and Guests. The Board of Elders shall decide on a case by-case basis which of such statements should be attached to and made a part of these Bylaws. Each such statement thus adopted is the official position of the Church, whether or not attached to, or published with, these Bylaws.

A. Statement of Faith on Marriage and Human Sexuality On July 27, 2022, the Board of Elders adopted the Statement of Faith on Marriage and Human Sexuality. A copy of the Statement of Faith on Marriage and Human Sexuality is attached to these Bylaws.

Section 6. Christian Conciliation Procedure Christian conciliation procedures may be called for in situations involving employment by the Church, and in all other situations not involving employment.

A. Disputes Involving Employment Relationship The dispute resolution provisions of this Section 6 (A) shall apply to all employment relationships between an individual staff member and the Church. Any claim or dispute arising from or related to the employment of any individual by the Church shall be submitted to voluntary mediation and, if necessary, legally binding arbitration in accordance with the Rules of Procedure for Christian Conciliation of the Christian Conciliation Service® (complete text of the Rules is available at www.rw360.org/ccshandbook). Judgment upon an arbitration decision may be entered in any court otherwise having jurisdiction. The Church and the employee understand and signed an agreement that these methods shall be the sole remedy for any controversy or claim arising out of the employment relationship and expressly waive their right to file a lawsuit in any civil court against one another for such disputes, except to enforce an arbitration decision.

The Church and the affected individual shall share evenly the cost of the mediation, and the mediator shall be mutually agreed from names provided by the Christian Conciliation Service, Crossroads Resolution Group, and/or The Institute for Christian Conciliation. In the event of arbitration, the costs thereof shall be shared as provided in the indicated Rules of Procedure.

B. Disputes Involving Other Relationship If there is an intra-Member conflict, or a conflict between Member(s) and the leadership of this Church, or a conflict between an elder and the Board of Elders of this Church, we commit to making a sincere effort to resolve it according to the peacemaking principles set forth in Scripture rather than going into civil court (See, Proverbs 19:11; Matthew 5:9, 5:23-24, 7:3-5, and 18:15-20; 1 Corinthians 6:1-8; Ephesians 4:29-32; Galatians 6:1; Philippians 2:1-4). If we are unable to resolve a conflict through personal conversations or through the established

restoration process with the Board of Elders of the Church, we agree to submit the dispute to informal mediation. If we are still unable to resolve the conflict, we agree to give prayerful consideration to resolving the matter through formal Christian conciliation, which is described in the Handbook for Christian Conciliation (www.rw360.org/ccshandbook).

ARTICLE 7. AMENDMENTS

Proposed amendments to these bylaws must be brought to the Board of Elders for discussion and adoption or rejection. Adopted amendments will be numbered, dated and attached to the original bylaws in the Church's permanent records. ARTICLE 8.

RELATIONSHIP TO CIVIL GOVERNMENT

The Church recognizes the civil government as being instituted by God in accordance with Romans 13:1-7; however, if the civil government passes a law that the Board of Elders interpret as being in conflict with God's Holy Word the Church will not recognize that law.

ARTICLE 9. ACTIVITIES ON CHURCH PROPERTY

All activities on Church property will incorporate worship; therefore, all activities must be in obedience with all Scripture found in the Holy Bible as interpreted by the Board of Elders of this Church.

--Draft dated February 24, 2023--