

★ The Episcopal Diocese of Texas

Basic Steps – Forming your Religious Organization

Diocesan Registrar Contact: Jonathan Blaker jblaker@epicenter.org (as of 10.7.2020)

GROUP UMBRELLA: Protestant Episcopal Church in the United States of America - Group #3741
(Determination Letters can be obtained with Registrar above)

FOR NEW FORMING ENTITIES

_____ Determine Entity Name/Check Availability of Name

It is mandatory to first check the availability and legality of the proposed name by calling or emailing the office of the Secretary of the Texas Secretary of State in Austin: (512) 463-5555; corpinfo@sos.state.tx.us.

Before the Certificate of Formation is filed, you may RESERVE the name with the Secretary of State for 120 days – by filing FORM 501 (Name Reservation) – www.sos.state.tx.us/corp/forms_boc.shtml.

You may wish to run a trademark search on the [U.S. Patent and Trademark Office database](#) and a simple Google search to ensure name is legally available.

Obtaining Bishop's Letter / Approval

Appoint Leadership. Rector, Treasurer, Secretary

If the initial directors/leadership are not named in the articles of incorporation, the incorporator can and should appoint the board through a written action. **Bishop's Letter**

The leadership team should understand their duties and responsibilities to act with reasonable care and in the best interests of the organization while providing direction and oversight over the organization's activities, finances, officers, and legal compliance.

Draft and File the Certificate of Formation (aka Articles of Incorporation) [SEE TEMPLATE ATTACHMENT]

A religious organization [aka corporation] is legally created with the filing of the certificate of formation and is filed with the Secretary of State. It typically identifies:

- (a) The religious organization's name;
- (b) Purpose or purposes of the religious organization;
- (c) IRS language;
- (d) Initial Directors – minimum of three;
- (e) Incorporator – signatory;
- (f) Registered Agent / Address – which is the Protestant Episcopal Church Council [PECC].

Once, the certificate of formation (using the Diocesan's approved Certificate of Formation template) is drafted (using the template) by the leadership team, it is emailed to Diocesan Registrar. The registrar will then forward the Certificate for review by the Diocesan Chancellor. Once reviewed, necessary changes made (this may take place via email for you and the Registrar – if applicable), the Registrar will request three (3) signed originals to be mailed to her/his attention to then be approved upon and signed by the Diocesan Bishop.

Upon completion of signatures above. The Registrar will complete applicable State filing form (FORM401-A) and will return this form with two original Certificate of Formation with a cover letter with next step filing instructions with the Secretary of State. *Filing fee are approximately \$25 including Form/Signed originals of Certificates of Formation will need to be sent to P.O. Box 13697, Austin TX 78711-3697.*

Typically, this process takes a few weeks. You will/or the Diocesan Registrar will be provided a stamped original Certificate of Formation from the State which will be kept on file at the Diocesan office with a copy at the religious organization.

Upon confirmation that the Certificate of Formation has been filed and recorded with the state (i.e. stamped copy), a NONPROFIT PERIODIC REPORT will be mailed every four years to the Registered Agent (EDOT) to confirm and/or update the information of the entity. This report is required by law under Article 1396-9.01, Texas Nonprofit Corporation Act.

Amendments may be made as changes are necessary. Submit your red-lined certificate of formation via email to the Registrar. Amended Certificates of Formation will follow the same steps as above filed with FORM 414 Restated Certificate of Formation w/new Amendments/FORM 415 w/out Amendments.

Draft the Bylaws [to include Conflict of Interest Statement] [SEE TEMPLATE ATTACHMENT]

An organization's bylaws typically address, at a minimum, fundamental provisions related to the management of the activities and affairs of the organization. The initial board of directors should prepare and adopt the bylaws for the entity.

Bylaws typically contain specific provisions detailing such as the purpose or mission of the organization; the leaders of the organization (the rector, secretary, and treasurer); the duties and responsibilities of each, etc.

Using the Diocesan's approved Bylaws template, email your drafted bylaws to the Diocesan Registrar he/she will then submit the drafted bylaws for review to the Diocesan Chancellor. Upon completion of the review / final review if changes were made, the Registrar will then return the drafted bylaws and request two (2) signed originals to be mailed to the Diocesan office. The Registrar will then obtain final approval/signature from the Diocesan Bishop. An original will be returned to the organization while one will be kept/scanned on file with the Diocese.

Amendments may be made as changes are necessary. Submit your red-lined bylaws via email to the Registrar. All amended bylaws will then follow the same steps as above.

Meeting of Initial Directors

Take the initial board actions at a board meeting or by unanimous written consent of the directors. The board should take the following actions:

- (a) Adopt the bylaws and conflict of interest policy;
- (b) Elect officers, appoint members of committees;
- (c) Adopt a fiscal year (such as a year ending December 31 or June 30);

- (d) Approve establishing a bank account, authorize the opening of an account, authorize check signers;
- (e) Approve applying for federal and state tax-exempt status;
- (f) Approve reimbursement of startup expenses (if applicable);
- (g) Approve the compensation of the rector the treasurer (CFO) (if applicable);
- (h) Establish the location of the principal parish/offices;
- (i) Establish liability insurance, property insurance (if applicable), bonding, employee fringe benefits i.e. medical insurance, retirement plans (if applicable); and
- (j) Select an accountant or auditor – volunteer.

Apply for an Employer Identification Number (EIN)

An officer or authorized third party designee may apply for and obtain an EIN online. Complete an IRS FORM SS-4 – www.irs.gov. Place the original completed form in the entities incorporation files/minute book.

Using the completed IRS FORM SS-4, the organization may obtain its EIN instantly online at <https://sa2.www4.irs.gov/modiein/individual/index.jsp>.

NOTE: The EIN (together with the file stamped copy of the certified copy of the certification for formation) is essential when opening a bank account for the entity.

TO BE PLACED UNDER THE EPISCOPAL CHURCH GROUP #/FEDERAL TAX EXEMPTION [SEE REQUEST FORM ATTACHED]

Request to be placed under the Episcopal Church Group number-umbrella. The request form should be sent to the Registrar. The Registrar will forward to the Episcopal Church with Certificate of Formation/Bylaws.

Apply for Sales, Franchise Tax Exemption from Texas Comptroller

Once the incorporation status is complete and files with the state, the Registrar will apply for state exemption by completing FORM AP-204 <http://www.window.state.tx.us/taxinfo/exempt/index.html>. Which will include the Determination Letter [SEE EXAMPLE ATTACHED].

Apply for Property Tax Exemption from Local Tax Appraisal District

If applicable – owned property – the Registrar will complete FORM 50-117 Application for Religious Organization Property Tax Exemption

<http://www.window.state.tx.us/taxinfo/taxforms/02-form06.html> along with a copy of the determination letter to the local tax appraisal district.

LEGAL OBLIGATIONS

Must hold annual meetings.

Must prepare an alphabetical list of the names of all of its voting members.

Must maintain current and accurate financial records and must prepare annual reports

Must keep its records, books and annual reports in principal office

Must keep a current registered agent ie PECC

Must submit Secretary of State Form 802 – General Information (Periodic Report – Nonprofit Corporation) once every four years.

EXAMPLE FILE LETTER for Certificate of Formation

January 17, 2021

Sample Episcopal Church

ATTN: WHO – Rector

P.O. Box 388

Huntsville, TX 77342

RE: **Certification of Formation & Bylaws of Sample Episcopal Church, Huntsville**

Dear Who,

Bishop Doyle has signed the referenced enclosed documents. We are returning two originals of the Certificate of Formation to be filed with the state, one copy for your church files, and two originals of the Bylaws for your church files. Our office retains one original of each document for the diocesan incorporation files.

The filing instructions for the Certificate of Formation are as follows:

- Form 202 – this form has been completed, you will need to sign and date, and mail it in duplicate with the two originals of the Certificate of Formation to:

Secretary of State

P.O. Box 13697

Austin, TX 78711-3697

Include the filing fee of \$25.00 (personal or business checks are acceptable)

The Office of the Secretary of State will return one filed stamped original either to you or to the diocesan office. Whoever receives this stamped original should send a copy to the other office for their records.

Once SAMPLE's has been officially incorporated (stamped copy of Cert of Formation) our office will, with the Texas Comptroller's office, file for the franchise tax and sales and use tax exemptions. Upon confirmation of these exemptions, our office will forward a copy for your records.

If there are any additional questions, please do not hesitate to contact me.

Blessings,

Name

Title

The Episcopal Diocese of Texas

Number

Enclosures



The Episcopal Church – Group Inclusion Letter

If you wish to be included in the National Church's IRS Group Exemption, please indicate the name, address, and employer identification number for each entity that is a part of your parish/mission. This should include all schools and any group holding their own Federal Tax I.D. number.

Name:

Address:

City/State/Zip:

Federal Tax ID:

Date:

Other Entities [please list below – attach sheet if necessary]

Name:

Address:

City/State/Zip:

NOTE: If you do not wish to be included, please initial here: _____

Rector or Senior/Bishop's Warden
or Congregation Official; or Official of
Diocesan Entity

Please return completed form to the Diocesan Registrar, Jonathan Blaker, via mail 1225 Texas Avenue, Houston, TX 77002, fax - 713 521-2281 or scan - email: jblaker@epicenter.org

CERTIFICATE OF FORMATION

OF

(Insert name of Corporation, City & State)

The undersigned natural person, of the age of eighteen (18) years or more, acting as the organizer of *(Insert name of Corporation, City & State)*, a corporation under the Texas Business Organizations Code (as amended from time to time and together with any successor laws, the “Code”), does hereby adopt the following Certificate of Formation for such corporation (the “Corporation”):

ARTICLE I.

The name of the Corporation is *(Insert name of Corporation, City & State)*.

ARTICLE II.

The Corporation is a non-profit corporation.

ARTICLE III.

The period of the Corporation’s duration is perpetual.

ARTICLE IV.

The Corporation is organized and shall be operated and administered exclusively for religious and charitable purposes as *(Insert name of Corporation, City & State)*, a church (sometimes referred to herein as the “Church”) in union with the Protestant Episcopal Church in the United States of America (the “Episcopal Church”) and the Episcopal Diocese of Texas (the “Diocese of Texas”). As used herein, “religious” and “charitable” purposes shall be the same as the definition of such purposes used in connection with Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions of subsequent federal tax laws (the “IRC”).

In the accomplishment of the above purposes and subject to the terms and conditions hereof, the Corporation hereby recognizes and accedes to the authority of the Constitution and Canons of the Episcopal Church and the Diocese of Texas and agrees to conform solely to the Doctrine, Discipline and Worship of the Episcopal Church and the Diocese of Texas. In pursuit of the foregoing purposes, the Corporation may (i) receive personal property and use and apply

the income therefrom and the principal thereof; (ii) receive real property, title to which shall be vested in accordance with the Constitution and Canons of the Diocese of Texas; and (iii) undertake any other act or action permitted by the Code.

For purposes of the Certificate of Formation and Bylaws of the Corporation, the terms “Constitution” or “Canons” of the Episcopal Church or the Diocese of Texas shall mean the Constitution or Canons of the Episcopal Church or the Diocese of Texas, respectively, as either or both now exist or as may be amended. The terms “Mission” and “Parish” shall have the meanings ascribed to them in the Constitution and Canons of the Episcopal Church and the Diocese of Texas.

ARTICLE V.

The street address of the initial registered office of the Corporation is:

1225 Texas Avenue
Houston, Texas 77002

The name of its initial registered agent at such address is:

Protestant Episcopal Church Council of the Diocese of Texas

ARTICLE VI.

The Members, as such term is defined in the Code, of the Corporation (the “Members”) shall be the men and women, at least eighteen years of age, who are enrolled, confirmed communicants in good standing of the Church, or otherwise as provided in the Canons of the Diocese of Texas.

ARTICLE VII.

The group of persons vested with the administration of the temporal concerns of the Church and the other authority and duties provided for in the Constitution and Canons of the Diocese of Texas shall be the Bishop’s Committee of the Corporation.

The number of members constituting the initial Bishop’s Committee of the Corporation shall be **[insert number]**, plus the Priest-in-Charge or Rector as the case may be (or if the office of Priest-in-Charge or Rector is vacant, the Bishop Warden’s or the Senior Warden, as the case may be) *ex officio*.

The names and street addresses of the persons who are to serve as the members of the initial Bishop’s Committee of the Corporation and the expiration of the term of office of each are:

<u>Name</u>	<u>Address</u>	<u>Term expires</u>
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ARTICLE VIII.

The name and street address of the organizer is:

Name

Address

ARTICLE IX.

The Corporation shall be governed, operated and administered in accordance with the Constitution and Canons of the Episcopal Church and the Diocese of Texas, and, subject to the foregoing, shall have the rights and responsibilities of a Mission of the Diocese of Texas.

The Corporation shall have Members, a Priest-in-Charge or Missionary, a Bishop's Warden, a Junior Warden, Clerk and such other officers as may be authorized or permitted by the Constitution or Canons of the Episcopal Church or the Diocese of Texas relating to the Church, each of whom shall be determined, selected or elected, as the case may be, and, upon such determination, selection or election, shall have rights, powers, duties and responsibilities as authorized or permitted by the Constitution or Canons of the Episcopal Church or the Diocese of Texas.

For purposes of this Certificate of Formation and the Bylaws of the Corporation, the terms "Corporation" and "Church" shall be synonymous.

The Church is a Mission; however, pursuant to the Constitution and Canons of the Episcopal Church and the Diocese of Texas, the Church may be a Mission or a Parish. If and while the Church is a Mission or a Parish, the provisions of the Constitution and Canons of the Episcopal Church and the Diocese of Texas relating to a Mission or a Parish, respectively, shall apply to the Church, including, without limitation, its membership, governing body, officers and employees. Without limiting the generality of the preceding sentence, if the Church becomes a Parish, its Bishop's Committee shall thereupon become its Vestry and its Priest-in-Charge shall become its Rector, and if the Church thereafter reverts to Mission status, its Vestry shall thereupon become its Bishop's Committee and its Rector shall become its Priest-in-Charge.

If any provision of this Certificate of Formation or the Bylaws of the Corporation is held invalid or unenforceable in any respect, the validity of the other provisions hereof or thereof shall remain valid and enforceable.

ARTICLE X.

The power to amend, modify, restate or repeal this Certificate of Formation of the Corporation shall be as provided in the Code; provided, no such amendment, modification,

restatement or repeal shall become effective unless and until approved in writing by the Bishop of the Diocese of Texas; or, if the office of Bishop is vacant, by the Ecclesiastical Authority of the Diocese of Texas, which approval shall be evidenced on any such amendment, modification, restatement or repeal.

ARTICLE XI.

No member of the Bishop's Committee or governing body of the Corporation shall be liable to the Corporation or its members for monetary damages for an act or omission in such person's capacity as a member of the Bishop's Committee or governing body of the Corporation, except that this Article does not eliminate or limit the liability of such member for:

- (1) A breach of such member's duty of loyalty to the Corporation or its members;
- (2) An act or omission not in good faith that (a) involves intentional misconduct or a knowing violation of the law or (b) constitutes a breach of duty of such members to the Corporation;
- (3) A transaction from which such member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such member's or duties; or
- (4) An act or omission for which the liability of such member is expressly provided for by statute.

If it is determined that the law of the State of Texas (including, without limitation, the Code) authorizes, or if such law is amended to authorize, action further eliminating or limiting the personal liability of directors of corporations, then the liability of the members of the Bishop's Committee or governing body of the Corporation shall be eliminated or limited by this Article XI (without the need of any formal amendment) to the fullest extent permitted by such statutes as so amended. Any repeal or amendment of such statutes or of the foregoing paragraph shall be prospective only and shall not adversely affect any right of protection of a member of the Bishop's Committee existing at the time of such repeal or modification.

ARTICLE XII.

Each member of the Bishop's Committee or governing body, the Priest-in-Charge or Missionary and each officer of the Corporation and each former member of the Bishop's Committee, each former Priest-in-Charge or Missionary, and each former officer of the Church and other persons while serving at the request of the corporation or its unincorporated predecessor, may be indemnified by the Corporation for any act or omission in such person's capacity as a member of the Bishop's Committee or governing body, Priest-in-Charge or Missionary, or officer

of the Corporation, as the case may be, or as a person while serving at the request of the Corporation or its unincorporated predecessor, in the manner and to the maximum extent provided for in the Code. The Bishop's Committee shall have the power in the Bylaws to define the requirements and limitations for the Corporation to indemnify the Bishop Committee's members, officers, and others related to the Corporation.

ARTICLE XIII.

Regardless of any other provisions of this Certificate of Formation or the laws of the State of Texas, the Corporation shall not:

- (1) Permit any part of the net earnings of the Corporation to inure to the benefit of any private individual unless such benefit is incidental to and in accomplishment of the Corporation's purposes as expressed in Article IV of this Certificate of Formation; provided, reasonable compensation may be paid for personal services rendered to or for the Corporation affecting one or more of its purposes;
- (2) Devote any of its activities to attempting to influence legislation by propaganda or otherwise;
- (3) Participate or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; or
- (4) Attempt to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drives.

ARTICLE XIV.

Upon the dissolution of the Corporation, or upon termination of the status of the Church as a church in union with either the Episcopal Church or the Diocese of Texas, or both, the assets of the Corporation remaining after payment or provision for payment of the Corporation's liabilities shall be distributed exclusively to the following in the stated order of priority: (a) the Protestant Episcopal Church Council of the Diocese of Texas, a Texas non-profit corporation (the "Church Corporation"), if it accepts the same; (b) an organization designated in writing by the Bishop of the Diocese of Texas and that qualifies as an organization described in Section 501(c)(3) of the IRC, if it accepts the same; or (c) if the Church Corporation and Bishop of the Diocese of Texas fail or refuse to act pursuant to subsection (a) or (b) within a reasonable time (which shall never be less than one hundred and twenty (120) calendar days), an organization that qualifies as an organization described in Section 501(c)(3) of the IRC and is designated or approved, (after due notice and hearing), by a court of competent jurisdiction.

ARTICLE XV.

This Certificate of Formation becomes effective when the document is filed by the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

(Signature of Incorporator)

Approved on the _____ day of _____, 20__:

The Right Reverend C. Andrew Doyle
Bishop of Texas

BYLAWS

OF

[NAME OF CORPORATION]

ARTICLE I

DEFINITIONS

The following terms shall have the meanings set forth below, unless context requires otherwise:

“Bishop” shall mean the Bishop of the Diocese of Texas.

“Bylaws” shall mean these Bylaws and any valid amendment thereof.

“Canons” shall mean the Canons of the Episcopal Church or the Diocese of Texas, as used in context, as now constituted or as the same may be amended. Used alone, “Canons” shall mean the Canons of the Diocese of Texas.

“Certificate” shall mean the Certificate of Formation of the Corporation and any valid amendment thereof.

“Church” shall mean *[name of Corporation]*.

“Code” shall mean the Texas Business Organizations Code, as now constituted or as the same may be amended.

“Constitution” shall mean the Constitution of the Episcopal Church or the Diocese of Texas, as used in context, as now constituted or as the same may be amended. Used alone, “Constitution” shall mean the Constitution of the Diocese of Texas.

“Corporation” shall mean *[name of Corporation]*, a Texas non-profit corporation. The terms “Corporation” and “Church” shall be synonymous.

“Diocese of Texas” shall mean the Episcopal Diocese of Texas.

“Episcopal Church” shall mean the Protestant Episcopal Church in the United States of America.

“Governing Body” shall mean a “Vestry” in the case of a Parish or a “Bishop’s Committee” in the case of a Mission.

“Members” shall have the meaning ascribed to it in the Certificate.

“Mission” shall have the meaning ascribed to it in the Constitution and Canons of the Episcopal Church and the Diocese of Texas.

“Organization Meeting” shall mean the meeting held pursuant to Section 22.104 of the Code.

“Parish” shall have the meaning ascribed to it in the Constitution and Canons of the Episcopal Church and the Diocese of Texas.

“Priest-in-Charge” or “Missionary” shall mean the Priest-in-Charge or Missionary of the Church.

ARTICLE II

THE CORPORATION AND CHURCH

Section 1. Structure. The Corporation is a non-profit corporation organized under the laws of the State of Texas, which has members within the meaning of Section 1.002(53) of the Code. The Certificate of the Corporation was filed in the office of the Secretary of State of the State of Texas on _____, _____.

Section 2. Purposes. The Corporation is organized and is to be operated and administered exclusively for religious and charitable purposes as *[name of Corporation]*, a church in union with the Episcopal Church and the Diocese of Texas. In pursuit of the foregoing purposes the Corporation may (i) receive personal property and use and apply the income therefrom and the principal thereof; (ii) receive real property, title to which shall be vested in accordance with the Constitution and Canons of the Diocese of Texas; and (iii) undertake any other act or action permitted by the Code.

Section 3. Authority of the Constitution and Canons. In the accomplishment of the above purposes and subject to the terms and conditions of the Certificate, the Corporation hereby recognizes and accedes to the authority of the Constitution and Canons of the Episcopal Church and the Diocese of Texas and agrees to conform to the Doctrine, Discipline and Worship of the Episcopal Church and the Diocese of Texas.

The Corporation shall have Members, a Priest-in-Charge or Missionary, a Bishop’s Committee, a Bishop’s Warden, a Junior Warden, Clerk and such other officers as may be authorized or permitted by the Constitution and Canons of the Episcopal Church or the Diocese of Texas, each and all of whom shall be determined, selected or elected, as the case may be, and, upon such determination, selection or election, shall have such rights, powers, duties and responsibilities authorized or permitted by the Constitution and Canons of the Episcopal Church and the Diocese of Texas.

The Church is a Mission; however, pursuant to the Constitution and Canons of the Episcopal Church and the Diocese of Texas, the Church may be a Parish or Mission. If and while the Church is a Parish or a Mission, the provisions of the Constitution and Canons of the Episcopal Church and the Diocese of Texas relating to a Parish or a Mission, respectively, shall apply to the Church, including, without limitation, its membership, Governing Body, officers and employees. Without limiting the generality of the preceding sentence, if the Church becomes a Parish, its Bishop’s Committee shall become its Vestry and its Priest-in-Charge shall become its Rector (and references herein to the Church’s “Bishop’s Committee” and “Priest-in-Charge” shall thereafter mean, without the necessity for amending this Certificate, the Church’s Vestry and Rector, respectively). If the Church thereafter reverts to Mission status, its Vestry shall thereupon become its Bishop’s Committee and its Rector shall become its Priest-in-Charge.

Section 4. Conflict. In the event of any conflict between the provisions of Articles I and II and any other provisions of these Bylaws, the provisions of Articles I and II of these Bylaws shall prevail.

ARTICLE III

OFFICES

The principal place of business of the Corporation is located at _____. The Corporation may have such other offices as the Bishop's Committee may determine or as the affairs of the Corporation may require from time to time.

ARTICLE IV

BISHOP'S COMMITTEE

Section 1. Powers, Numbers, Vacancies and Term of Office. The Bishop's Committee shall be elected and shall hold office as provided in the Canons and shall have the rights, powers, duties and responsibilities of the Bishop's Committee as provided in the Canons.

Section 2. Meetings of the Bishop's Committee. Subject to Section 1 of this Article, the Bishop's Committee may hold meetings, maintain an office and keep the Corporation's books and records at such place or places within the State of Texas as the Bishop's Committee may from time to time determine; provided, however, that in the absence of any such determination, such place shall be the Corporation's registered office in the State of Texas.

Section 3. Annual Meetings. Subject to Section 1 of this Article, (a) the annual meeting of the Bishop's Committee ("Annual Meeting") shall be held as soon as reasonably possible, and, in any event, within thirty (30) business days after the annual congregational meeting wherein the new members of the Bishop's Committee shall have been duly elected, and (b) the Annual Meeting may be held at such place as shall be designated by resolution of the Bishop's Committee. The purpose of the Annual Meeting shall be to (a) elect officers for the ensuing year and (b) transact such other business as may be properly brought before such meeting. Notice of the Annual Meeting shall be required. Provided that it is held within the time specified in this Section, the Annual Meeting may be a Regular Meeting of the Bishop's Committee.

Section 4. Regular Meetings. Regular meetings of the Bishop's Committee ("Regular Meetings") shall be held at such times and places as shall be designated from time to time by resolution of the Bishop's Committee. No notice of Regular Meetings shall be required.

Section 5. Special Meetings. Special meetings of the Bishop's Committee ("Special Meetings") shall be held whenever called by the Priest-in-Charge or Missionary or, upon the written request of a majority of the members of the Bishop's Committee, by the Clerk. Notice of Special Meetings shall be required.

Section 6. Notice of Meetings. The Clerk shall give notice of each Annual and Special Meeting to each member of the Bishop's Committee in person, or by mail, email or telephone at least three (3) calendar days before such meeting. The members of the Bishop's Committee may waive notice of any meeting. At any such meeting at which every member of the Bishop's Committee shall be present, even though without notice, any matter pertaining to the Corporation's purposes may be considered and acted upon; provided, at a Special Meeting only (i) the matters set forth in the Notice of such meeting and (ii) any other matters which all members of the Bishop's Committee agree to consider at such meeting, may be considered and acted upon.

Section 7. Action Without a Meeting by Members of the Bishop's Committee. Any action that is required by law, the Certificate, or the Bylaws to be taken at a meeting of the Bishop's Committee, or any

action that may be taken at a meeting of the Bishop's Committee, may be taken without such a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the members of the Bishop's Committee.

Section 8. Quorum. A majority of the then acting members of the Bishop's Committee shall constitute a quorum. If at any meeting of the Bishop's Committee there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the members of the Bishop's Committee present at a meeting at which a quorum is present shall be the act of the Bishop's Committee, unless the act of a greater number is required by law, the Certificate, or the Bylaws.

Section 9. Presiding Officer. At all meetings of the Bishop's Committee, the Priest-in-Charge or Missionary shall preside; provided, in the absence of the Priest-in-Charge or Missionary, the Bishop's Warden or Junior Warden, taking precedence in order named, shall preside. The Clerk of the Corporation shall act as secretary of all meetings of the Bishop's Committee, but in the absence of the Clerk, the presiding officer may appoint any person to act as secretary of the meeting.

Section 10. Compensation. Persons serving as members of the Bishop's Committee shall not receive any salary or compensation for their services as members of the Bishop's Committee; provided, however, that nothing contained herein shall be construed as precluding any member of the Bishop's Committee from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a member of the Bishop's Committee) that are reasonable and necessary in carrying out the Corporation's purposes as the Bishop's Committee may from time to time determine.

Section 11. Removal. Any member of the Bishop's Committee may be removed as provided in the Constitution and Canons.

ARTICLE V

COMMITTEES

Section 1. Committees. The Bishop's Committee may from time to time designate members of the Bishop's Committee to constitute other committees that shall have and may exercise such powers as a majority of the Bishop's Committee may determine in the resolution that creates the committee. The Bishop's Committee may appoint individuals who are not members of the Bishop's Committee to any such committee; provided, however, that a majority of the committee members shall be members of the Bishop's Committee if such committee exercises the authority of the Bishop's Committee in the management of the Corporation. Other committees, not having and exercising the authority of the Bishop's Committee in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Bishop's Committee, or by the Priest-in-Charge or Missionary if authorized by a resolution of the Bishop's Committee or by these Bylaws, and members of such other committees may, but need not, be limited to Bishop's Committee members.

Section 2. Procedures; Meetings; Quorum. Any other committee created by the Bishop's Committee or these Bylaws, unless otherwise expressly provided herein, shall (a) have a chair designated by the Bishop's Committee, (b) fix its own rules or procedures, and (c) meet at such times and at such places as may be provided by such rules or by resolution of such committee or resolution of the Bishop's Committee. At every meeting of any such committee, the presence of a majority of all the members shall constitute a quorum, and the affirmative vote by the majority of the members present shall be necessary for the adoption of any action, unless otherwise expressly provided in the committee's rules or procedures, these Bylaws, or by the Bishop's Committee.

Section 3. Removal. Any member of a committee elected or appointed by the Bishop's Committee or the Priest-in-Charge or Missionary may be removed by the Bishop's Committee or the Priest-in-Charge or Missionary, as the case may be.

ARTICLE VI

OFFICERS

Section 1. Officers, Number, Titles and Term of Office. The officers of the Corporation shall be the Priest-in-Charge or Missionary, the Bishop's Warden, Junior Warden, Clerk and such other officers as are authorized or permitted by the Constitution and Canons with respect to the Church. The term of office and duties of the officers shall be governed by the Constitution and Canons, and, subject to the Constitution and Canons, shall be determined by the Bishop's Committee.

Section 2. Compensation. The Priest-in-Charge or Missionary shall be entitled to compensation. Other officers of the Corporation other than the Bishop's Warden and the Junior Warden, with the approval of the Bishop's Committee, may receive reasonable compensation for services that are necessary in carrying out the Corporation's purposes.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The Corporation's fiscal year shall be the calendar year.

Section 2. Seal. The Corporation's seal, if any, shall be such as may be approved by the Bishop's Committee.

Section 3. Telephone Meetings. Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Certificate or these Bylaws, members of the Bishop's Committee and members of any other committee may participate in and hold a meeting of the Bishop's Committee or other committee, as the case may be, by means of a conference telephone or some other communications equipment, or another suitable electronic communications system, including video conferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, the Corporation must (a) implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and (b) keep a record of any vote or other action taken.

ARTICLE VIII

CONFLICTS OF INTEREST POLICY

Section 1. Purpose. The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or member of the Bishop's Committee of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Section 2. Definitions.

(a) Interested Person. Any member of the Bishop's Committee, officer, or member of a committee with Bishop's Committee-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family (1) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or (2) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement or, (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 3. Procedures.

- (a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts relating thereto to the Bishop's Committee and members of committees with Bishop's Committee -delegated powers considering the proposed transaction or arrangement.
- (b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts relating thereto, and after any discussion thereof, the interested person shall leave the Bishop's Committee or other committee meeting while the financial interest is discussed and voted upon. The remaining Bishop's Committee or other committee members shall decide if a conflict of interest exists.
- (c) Procedures for Addressing the Conflict of Interest.
- (1) An interested person may make a presentation at the Bishop's Committee or other committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
 - (2) The Priest-in-Charge or Missionary shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - (3) After exercising due diligence, the Bishop's Committee or other committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

- (4) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Bishop's Committee or other committee shall determine by majority vote of the disinterested members of the Bishop's Committee or other committee whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Policy.

- (1) If the Bishop's Committee or other committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- (2) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Bishop's Committee or other committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Bishop's Committee and all committees with Bishop's Committee-delegated powers shall contain

- (a) Names of Persons with Financial Interest. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Bishop's Committee's or other committee's decision as to whether a conflict of interest in fact existed; and
- (b) Names of Persons Present. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 5. Compensation Committees. A voting member of the Bishop's Committee or any other committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation; provided, however, that no such person is prohibited from providing information for any committee regarding compensation.

Section 7. Annual Statements. Each member of the Bishop's Committee, officer, and member of a committee with Bishop's Committee-delegated powers shall annually sign a statement which affirms that such person

- (a) Receipt. Has received a copy of the conflicts of interest policy;

- (b) Read and Understands. Has read and understands the policy;
- (c) Agrees to Comply. Has agreed to comply with the policy; and
- (d) Tax Exemption. Understands that the Corporation is a charitable organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Section 8. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, the Corporation may conduct periodic reviews.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

Section 1. Right to Indemnification. Subject to the limitations and conditions as provided in this Article IX, each person who was or is made a party or is threatened to be made a party or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a “proceeding”), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a member of the Bishop’s Committee or officer of the Corporation or while a member of the Bishop’s Committee or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, shall be indemnified by the Corporation to the fullest extent authorized by the Code, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including, without limitation, attorneys’ fees) actually incurred by such person in connection with such proceeding, but if the proceeding was brought by or in behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred or suffered by such person in connection therewith, and indemnification under this Article IX shall continue as to a person who has ceased to serve in the capacity that initially entitled such person to indemnity hereunder; provided, however, that in no case shall the Corporation indemnify any such person, or the legal representatives of any such person, with respect to any matters as to which such person shall be finally adjudged in any such proceeding to be liable on the basis that personal benefit resulted from an action taken in such person’s official capacity, or in which such person is found liable to the Corporation. Any person entitled to indemnification pursuant to this Article IX is sometimes referred to as an “Indemnified Person.”

Section 2. Advance Payment. An Indemnified Person’s right to indemnification conferred in this Article IX shall include the right to be paid or reimbursed by the Corporation the reasonable expenses incurred by an Indemnified Person who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding; provided, however, that the payment of such expenses incurred by an Indemnified Person in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of a written affirmation by such Indemnified Person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article IX and a written undertaking, by or on behalf of such Indemnified Person, to repay all

amounts so advanced if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified under this Section or otherwise.

Section 3. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to an employee or agent of the Corporation to the same extent and subject to the same conditions under which it may indemnify and advance expenses to members of the Bishop's Committee and officers under this Article IX; and, the Corporation may indemnify and advance expenses to persons who are not or were not members of the Bishop's Committee, officers, employees or agents of the Corporation but who are or were serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefits plan or other enterprise against any liability asserted against such person and incurred by such person in such a capacity or arising out of such person's status as such a person to the same extent that it may indemnify and advance expenses to members of the Bishop's Committee under this Article IX.

Section 4. Appearance as a Witness. Notwithstanding any other provision of this Article IX, the Corporation may pay or reimburse expenses incurred by an Indemnified Person in connection with his or her appearance as a witness or other participation in a proceeding relating to the Corporation at a time when he or she is not named defendant or respondent in the proceeding.

Section 5. Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article IX shall not be exclusive of any other right that an Indemnified Person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Formation of the Corporation or the Bylaws of the Corporation, agreement, vote of disinterested members of the Bishop's Committee, or otherwise.

Section 6. Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself or any Indemnified Person, whether or not the Corporation would have the power to indemnify such person, against such expense, liability or loss under this Article IX.

Section 7. Savings Clause. If this Article IX, or any portion hereof, shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Indemnified Person as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article IX that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 8. Limitation on Indemnity. Notwithstanding any provision of this Article IX to the contrary, the liability of the Corporation under this Article IX is limited to the proceeds and benefits of insurance, if any, actually paid or received with respect to the matter or event giving rise to any proceeding that constitutes a basis for the indemnity provided for in this Article IX; provided, the Bishop's Committee may, in the exercise of its sole discretion, waive or qualify this limitation in specific cases.

ARTICLE X

AMENDMENTS

These Bylaws may be altered, amended, or repealed by the affirmative vote of a majority of the then acting members of the Bishop’s Committee at any Annual meeting, Regular Meeting, or Special Meeting if written notice is given of the meeting and notice of the proposed amendment is contained in the notice of such meeting; provided, no such alteration, amendment or repeal shall be effective unless and until the same has been approved in writing by the Bishop; or, if the office of Bishop of Texas is vacant, by the Ecclesiastical Authority of the Diocese, which approval shall be evidenced by the signature of the Bishop or the Ecclesiastical Authority, as the case may be, on a document evidencing such alteration, amendment, or repeal.

CERTIFICATE OF CLERK

I hereby certify that these Bylaws were adopted by the Vestry of *[Insert name of Corporation]* on the ____ day of _____, 20____.

Name: _____
Title: Clerk

APPROVAL OF THE BISHOP

Approved on the _____ day of _____, 20____.

By: _____
The Right Reverend C. Andrew Doyle,
Bishop of Texas