

REDEMPTION ANGLICAN CHURCH, INC.
(A Texas Non-Profit Corporation)

BYLAWS

ARTICLE I.

OFFICES AND LOCATIONS

Section 1.01. Principal Location. The business office of REDEMPTION ANGLICAN CHURCH, INC. shall be 812 Walden Ct, Allen TX 75002 or such other location as may be determined from time to time by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 2.01. Redemption Anglican Church, Inc., is referred to herein as the "RAC."

Section 2.02. The membership of Redemption Anglican Church, Inc. is herein referred to as the "Members" or "Voting Members" or the "Congregation" or the "Parish".

Section 2.03. The Board of Directors of RAC is herein referred to as the "Vestry." The individual directors of RAC are herein referred to as "Vestryperson(s)."

Section 2.04. The Chairman of the Board of Directors of RAC is herein referred to as the "Senior Warden". The Vice-Chairman of the Board of Directors of RAC is herein referred to as the "Junior Warden".

Section 2.05. Persons ordained within the Anglican Communion employed by RAC are referred to herein as "Clergy."

Section 2.06. The senior minister of the Clergy as shall be employed and designated by the Vestry as such is referred to herein as the "Rector." The Rector shall have such powers and responsibilities as are enumerated in Section 5.01 of these Bylaws (herein so called).

Section 2.07. Meeting of the Members refers to any meeting held according to Article IV of these Bylaws.

ARTICLE III.

MEMBERS

Section 3.01. Membership shall be divided into two (2) classifications:

Member: Any person who has been baptized in the name of the Father, the Son, and the Holy Spirit, whose baptism has been submitted to the church, and who has either

- signed the RAC membership covenant, or
- in the case of a baptized child/minor, a parent/guardian has signed the RAC membership covenant.

Voting Member: Any Member of at least 18 years of age who, unless prohibited by due cause, has been

- an active and consistent participant in eucharistic worship over the preceding 6 months, and...
- who over that same time has contributed regularly to the support of the parish, by time, talent, and treasure.

Eucharistic worship and support of the parish shall be certified by the Rector and Senior Warden respectively. The Rector and Senior Warden may at their discretion grant voting privileges to Individuals with Member record dates of less than 6 months but not less than 3 months from the date when voting shall commence, provided the above conditions are met.

Each Voting Member shall be entitled to one (1) vote on each matter submitted to a Parish vote. Matters requiring vote shall be presented at or leading up to the Annual Meeting of the Parish, or a Special Meeting of the Parish.

Section 3.02. List of Members: A list of all current Members shall be maintained with current church records. The list shall contain names, address and contact information, and record dates of active/inactive status for Members and/or Voting Members. The list shall be audited to determine Voting Member eligibility; this audit shall occur no less than once per year and prior to the establishment of the Nominating Committee of the Annual Meeting of the Members. This list shall be retained and certified by the Secretary of the Vestry and made available for inspection upon request.

ARTICLE IV.

MEETINGS OF MEMBERS

Section 4.01. Location of Meetings. Meetings of the Members shall be held at such place(s) specified in the notice of the meeting.

Section 4.02. Annual Meetings. An annual Meeting of the Members shall be held in January or February each year; the exact date and time shall be determined by the Vestry in consultation with the Rector. At this annual meeting or by a voting process preceding this annual meeting by not more than 1 month, the Voting Members shall elect certain members of the Vestry, and may transact other business if the Vestry in consultation with the Rector has determined that a matter should be set before the Voting Members for vote.

Section 4.03. Special Meetings. Special Meeting(s) of the Members may be called by the Vestry in consultation with the Rector.

Section 4.04. Notice of Meetings. A written or printed notice stating the place, day and hour of any meeting and the purpose or purposes for which the meeting is called, shall be provided not less than fourteen (14) days nor more than sixty (60) days before the date of the meeting. Notice of meetings will be delivered to each Member either a) personally, b) by mail, c) by e-mail, or as provided elsewhere in these Bylaws. Individual communications to Members will be supplemented by providing notice of meetings in the church bulletin, church website / calendar, and announced at regularly scheduled worship services. Supplementary notices are not to be considered a substitute for the Notices requirements of these Bylaws in Section 4.04 (a-c) as referenced herein for Notice of the Meetings of the Members.

Section 4.05. Quorum. Voting Members of the parish, numbering at least 20% of number of voting members in the last certified member list audit, but not less than twice the number of persons who are members of the vestry, present at an Annual or Special Parish Meeting shall constitute a quorum, and a majority vote of Voting Members present determine any matter presented except as provided otherwise in these bylaws.

Section 4.06. Majority May Conduct Business. The vote of a majority of the Voting Members present at a meeting shall be the act of the Members' meeting, unless the vote of a greater number is required by statute, the Certificate of Formation, or these Bylaws.

Section 4.07. Proxies. A Member may vote in person only; no proxy voting is permitted.

Section 4.08. Record Dates. For the purpose of determining Members entitled to notice of, or Voting Members entitled to vote at, any Meeting of the Members or any adjournment thereof, or in order to make a determination of Members for any other proper purpose, an audit of the List of Members shall occur prior to the establishment of any Nominating Committee in advance of a Meeting of the Members. While it is not necessary to at any point close or refuse membership transfer records, Voting Members must have been Members with record dates no less than three (3) months from the first day of voting. Refer to Section 3.01 for complete eligibility guidance for Voting Members.

Section 4.09. Agenda Items. At a minimum, the agenda of the annual Meeting of the Members shall include a presentation by the Rector or other Clergy or Senior Warden or, in his or her absence, the Junior Warden of a full and faithful account of the condition of RAC as reasonably determined by the Rector, other Clergy, the Senior Warden or the Junior Warden, as the case may be. The Church shall keep and maintain minutes of any Meeting of the Members to record and document the full and faithful account the agenda matters, presentations, and any resolutions or votes. All verbal presentations must be recorded, transcribed, or otherwise reasonably documented, and all written reports, records, or other documentation presented or provided shall be retained and filed as a part of the minutes. Such minutes shall be filed with and become part of the permanent corporate records of RAC.

ARTICLE V.

VESTRY (BOARD OF DIRECTORS)

Section 5.01. Powers. The Vestry shall exercise its powers in accordance with the usage and discipline of the Anglican Communion. All management of the secular affairs of RAC, including the right to take fundamental action as set forth in Section 22.164 of the Texas Business Organizations Code (as same may be amended from time to time), to amend the Bylaws of RAC, to amend the Certificate of Formation or Articles of Incorporation, are hereby delegated to the Vestry.

The duties of the vestry shall consist of:

- (a) Manage the temporal affairs and to care for the property of RAC
- (b) To provide for the financial needs of the Rector
- (c) to provide for furniture, books, vestments, and all things necessary for the celebration of public worship
- (d) to see that all buildings and personal property belonging to the parish are adequately insured
- (e) to supervise the investment of funds of the parish
- (f) to authorize and direct such purchases and sales as the vestry may from time to time deem wise, and any and all transfers, assignments, contracts, deeds, leases, bonds, notes, checks, and other instruments which may be necessary or proper in this connection, and
- (g) to supervise and direct the officers in the discharge of their duties as it relates to the temporal matters of the church
- (h) The Officers and Vestrypersons, at its discretion and in consultation with the Rector, shall authorize funding for staff positions and terms of employment.

The handling of all or any of the investments may be delegated by the Vestry to the Wardens or Treasurer. This includes their purchase, custody, sales and transfer. The Vestry may delegate to the Treasurer in particular cases the authority to execute contracts, deeds, leases, bonds, notes, checks, and other instruments which may be necessary and proper.

The Vestry may appoint or authorize the appointment of any committee that it deems desirable. All such committees shall be accountable to the Vestry.

Section 5.02. Number, Term and Election. The number of vestrypersons shall be no fewer than three (3), and no more than fifteen (15), to be determined by majority vote of the

vestry and in consultation with the Rector. The number of authorized vestry positions must be an odd number.

Elected vestrypersons shall hold office until the third Annual Meeting following their election. All shall hold office until a qualified successor is elected. The number of vestry positions filled by Annual election shall be one-third the total number of vestry positions, rounded up or down to the nearest whole number, the exact number dependent on the timing of term expirations. Nominees will be determined by a Nominating Committee (See Section 6.02)

Section 5.03. Vacancies. If any vacancies occur in the Vestry caused by death, disability, illness, resignation, retirement or removal from office of any Vestryperson or otherwise, such vacancy shall be filled promptly by majority vote of the remaining Vestry. The term of office of any replacement so elected shall be for the unexpired term of the vacancy. Any new vestry office resulting from an increase in the authorized number of Vestrypersons shall be filled by a standard election of the Voting Members as outlined in Article IV and Section 5.02 of these bylaws.

Section 5.04. Removal for Cause. A Vestryperson may be removed from the Vestry for misconduct. The following is an illustrative but not inclusive list of misconduct: violation of the Sexual Harassment Policy; violation of the Nondiscrimination Policy; violation of the Alcohol, Tobacco, and Drug Use Policy; violation of the Computer Usage Policy; deviation from RAC's lifestyle expectations; violation of any other handbook policy; and any other conduct detrimental to RAC, or its reputation, or its operations or activities. Removal for cause may also include termination due to the Vestryperson's unwillingness or inability to adequately perform the duties of a Vestryperson or for insubordination. The continued absence of a member from regular meetings of the Vestry for a period of three (3) months without valid excuse is cause for removal. This list is not exhaustive.

Section 5.05. Process of Removal for Cause. Any Vestryperson may be removed from office as a Vestryperson following a "nomination for removal for cause" conducted by a 2/3 majority of the Vestry at any regular or special meeting of the Vestry and provided the Rector supports the nomination by a formal letter to the Vestry requesting removal and citing the reasons supporting the request for removal. After being nominated for removal by a 2/3 majority of the Vestry and after the Vestry receives a formal letter from the Rector requesting said removal, the Vestryperson nominated for removal for cause shall be provided fourteen (14) days written notice of the nomination for removal for cause detailing the reasons cited by the Vestry constituting "cause" for removal along with a copy of the letter from the Rector requesting the removal. At any time within fourteen (14) days notice of the nomination of removal, the Vestryperson nominated for removal for cause may contest the nomination for removal for cause and may request a special meeting of the Vestry. If the Vestryperson nominated for removal requests a special meeting to contest his/her removal for cause, the Vestry and the Rector shall provide the special meeting and shall present the reasons cited and the facts supporting "cause" for removal of the Vestryperson. Following the presentation of the reasons cited and facts supporting "cause," at the special meeting, the Vestryperson nominated for removal shall be provided reasonable time and a meaningful opportunity to address and respond to reasons cited constituting "cause" including an opportunity to provide any facts or to communicate any intent or desire to cure or remedy the issue(s) leading to the nomination for removal for cause. Upon

conclusion of the special meeting, the Vestrypersons nominated for removal shall be excused from the hearing at which time the Vestry, in consultation with the Rector, shall deliberate with open minds and hearts and shall thereafter and conduct a vote on whether the Vestryperson nominated for removal for cause shall be dismissed from the Vestry. Any such deliberations including the vote of each Vestryperson shall be held in executive session in consultation with the Chancellor and shall be privileged and confidential. Following the vote of a 2/3 majority of the Vestry in executive session, the result of the votes of the Vestry shall be communicated to the Vestryperson nominated for removal for cause. If a 2/3 majority vote for removal for cause is not obtained in executive session, the Vestryperson shall not be removed from office and shall be entitled to the full rights, duties, and obligations of the office of Vestryperson. If a 2/3 majority vote for removal for cause is obtained in executive session, the Vestryperson nominated for removal shall be dismissed from the Vestry and there shall be no right to appeal the decision of the Vestry. If the vestryperson nominated for removal by cause does not contest his/her nomination for removal by cause within the 14 day period, upon conclusion of the 14 day period the vestryperson will be removed without appeal. Any vacancy created by removal shall be filled according to Article 5.03 of these bylaws.

Section 5.06. Action by Unanimous Consent. Any action required or permitted to be taken at any meeting of the Vestry, or of any committee thereof, may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the Vestry or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Vestry or committee. A positive e-mail response to an e-mail from a known e-mail address of a Vestryperson containing the proposed resolution and requesting consent thereto is sufficient to establish a written consent to such resolution for purposes of this Section.

Section 5.07. Eligibility. Any Member who meets the qualification of Voting Member is eligible to serve as a Vestryperson. No person having served on a Vestry shall be eligible to serve again until one year after expiration of such member's period of service; however, a member of the Vestry who is elected to fill a vacancy may thereafter consecutively be elected to a full term.

Section 5.08. Meetings of the Vestry.

5.08.1. Location. The Vestry may hold meetings, both regular and special, which may be held in person or virtually where all Vestrypersons in attendance can both hear and communicate simultaneously.

5.08.2. Meetings. Regular meetings of the Vestry shall be held monthly with adequate notice provided to each Vestryperson. Notice may be given in writing, by mail, e-mail, or facsimile addressed to such Vestryperson at such physical or e-mail address as appears in the records of RAC, and such notice shall be deemed to be given at the time when the same shall be thus dispatched. Special Meetings may be called by the Rector or either Warden, and two (2) other vestrypersons, with adequate notice provided to each Vestryperson.

5.08.3. Executive Session. During a regular or special meeting of the Vestry, upon the request of the Chancellor, the Rector, or a Vestryperson and upon a majority vote of the Vestry, the Vestry may enter executive session closed to Members of RAC for the purpose of discussing legal and other matters requiring same in order to protect the confidentiality of attorney-client communications or to protect other immunities or privileges available only in executive session. Minutes of any executive session shall be maintained separately from the regular minutes of the Vestry and shall not be disclosed to any person not a Vestryperson, Rector, or Chancellor. No executive session shall last longer than required to protect the confidential communications, privileges, or immunities to be protected.

Section 5.09. Compensation. Vestrypersons shall not receive any stated compensation for their services as Vestrypersons.

Section 5.10. Quorum/Voting. A majority number of approved vestry positions as determined per Section 5.02 shall be necessary and sufficient to constitute a quorum for the conduct of the affairs of RAC except as may be otherwise specifically provided by statute, the Certificate of Formation, Articles of Incorporation, or these Bylaws. If a quorum shall not be present at any meeting of the Vestry, the Vestryperson present may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present. A Vestryperson attending a meeting virtually (i.e. phone, Zoom, Teams) is considered present if all members physical and virtual can both talk and listen.

Section 5.11. Ex-Officio Members & Presiding Officers. The Rector is ex-officio presiding officer of the Vestry and of the Congregation, and only in case of a tie, may vote on all questions brought before the Vestry. In the absence of the Rector, the Senior Warden (or Junior Warden, in the absence of Rector and Senior Warden) shall be the presiding officer. If the Rector and both Senior Warden and Junior Warden are absent, any other member of the Clergy designated by the Rector shall be the presiding officer. The Treasurer and the Chancellor of RAC, who are Members of RAC, shall be non-voting, ex-officio members of the Vestry and shall be entitled to notice of and to attend all meetings of the Vestry. As ex-officio members, the Rector, Treasurer and Chancellor may provide formal or informal presentation, reports, and information to the Vestry as required from time to time in the discretion of the Rector, Treasurer, Chancellor or upon request of the Vestry. The Vestry may create other ex-officio members of the Vestry from time to time.

ARTICLE VI.

COMMITTEES & SOCIETIES

Section 6.01. Executive Committee. The Vestry may, by resolution passed by vote of a majority of the members of the Vestry, designate an Executive Committee (herein so called), such Executive Committee to consist of the Rector, the Senior Warden, the Junior Warden, and/or such other Members and Clergy as are recommended by the Rector and approved by the Vestry. Such Executive Committee shall not be a standing committee, but shall serve only for that period of time established in the resolution creating same. The Executive Committee shall

have only such power as may be specified in the resolution establishing such Executive Committee. The Executive Committee shall keep regular minutes of its proceedings and shall report to the Vestry at its next regular meeting. The Executive Committee shall act by two-thirds vote of the full Executive Committee. The Executive Committee shall be disbanded immediately upon a majority vote of the members of the Vestry to disband same.

Section 6.02. Nominating Committee

Nominees must qualify as Voting Members of RAC.

Nominees shall be determined and presented by a Nominating Committee consisting of two (2) vestrypersons and one (1) non-vestryperson, appointed by majority consent of the Rector, Senior Warden, and Junior Warden. The Nominating Committee shall solicit input from the congregation, staff, and clergy, vet and decide upon nominees by majority vote of the committee, present nominees to the Congregation no later than two (2) weeks prior to the first date of issuance of ballots, and ensure the Congregation have adequate opportunity to engage the nominees prior to ballot distribution. The Nominating Committee will make every effort to nominate at least two (2) nominees for each open Vestry position but must nominate at least one (1) persons greater than the number of Vestry positions to be filled. The Nominating Committee will, at its discretion, determine any other necessary procedures in addition to these listed prior to elections.

The Election of Vestry shall be determined by paper and/or online ballot as deemed appropriate by the Nominating Committee. Ballot distribution and collection may begin up to two (2) weeks prior to the Annual Meeting of the Parish. Once concluded, ballots will be tallied by the Nominating Committee, and results will be certified by the Secretary and read by the Rector at the Annual Meeting of Members and promptly published.

Section 6.03. Finance Committee. The Finance Committee shall consist of the Treasurer, the person acting as business administrator, the Rector (or a representative of the Rector) and such Members or Vestrypersons as may be designated by the Rector and the Vestry, but in no event less than one Vestryperson. The Treasurer or such other qualified person as shall be proposed by the Rector and approved by the Vestry shall act as the Chairman of the Finance Committee. The Finance Committee shall be responsible for accounting and financial matters relating to RAC, including supervision of investment and application of trust and restricted funds, shall meet periodically, and shall monthly prepare a report of financial condition which shall be presented to the Vestry by the Treasurer or such other qualified person as shall be proposed by the Rector at each regular meeting of the Vestry. The Finance Committee, in consultation with the Rector and all Church organizations, shall assist the Rector in the preparation of a financial report for RAC for the preceding year and an annual budget for the following year, which shall be submitted to the Vestry on or before its February meeting for approval.

Section 6.04. Stewardship Committee. The Vestry in consultation with the Rector may form a Stewardship Committee, which shall be responsible for managing RAC's stewardship campaign(s), for organizing a program of deferred giving, and for all requisite activities to encourage collection of pledges. At least one member of the Vestry shall be a member of any

Stewardship Committee, and such Vestryperson shall report periodically to the Vestry on the status of stewardship matters.

Section 6.05. Mission Societies. The Rector or the Vestry may designate one or more mission societies to work in partnership with RAC or as a part of RAC's mission program and activities, such mission society to have the duties and responsibilities designated by the Rector or the Vestry, as the case might be. Mission Societies shall consist of a Chairman and other members, none of whom need be members of the Vestry except where otherwise directed at the time of the creation of such committee.

Section 6.06. Parish Committee on Vocations/Parish Discernment Team. Since the early days of RAC, spiritual leaders have been identified and put forward by the community. When someone ("Aspirant") in a parish today begins to sense that she or he is called to ordained ministry, RAC looks to its laity to affirm the calling. For this reason, RAC hereby establishes the Parish Committee on Vocations/Parish Discernment Team. A person who feels called to ordained ministry must first be an active member of RAC and must be sponsored for ordination by Rector and the Vestry of RAC in accordance with the policies and procedures established by the Parish Committee on Vocations/Parish Discernment Team, such policies to both treat the candidate with the utmost respect and care as well as to test how a particular Aspirant's unique gifts can be best used within RAC.

Section 6.07. Special Committees. Minutes. The Secretary of the Vestry shall keep regular minutes of its proceedings, and all committees shall report to the Vestry when required and from time to time. All minutes (except minutes of executive session) shall be available for inspection by any Member of RAC at any reasonable time upon reasonable notice to the Secretary.

ARTICLE VII.

OFFICERS

Identification and Enumeration of Officers. The officers of RAC shall be the Rector, the Senior Warden, the Junior Warden, the Treasurer, the Chancellor and the Secretary. All officers, other than the Treasurer, Chancellor and Secretary must be Vestrypersons. Immediately following the annual meeting of Members, the officers of RAC shall be installed at the annual meeting of the Vestry. The officers shall be nominated by the Rector and the Vestry shall vote on the issue to approve or deny the Rector's nomination. Officers, once elected by the Vestry, shall serve a one-year term, which shall commence upon the installation of the officers at the annual meeting of the Vestry, shall serve until their successors are elected, and may be removed at any time by the Vestry for cause. Officers may be re-elected up unto the expiration of their term as a vestryperson as defined in Section 5.02. Any vacancy in the officers occurring either by death, resignation, or removal, shall be filled by the Vestry with consultation from the Rector.

Section 7.01. The Rector.

7.01.1. Presiding Officer. The Rector is ex-officio presiding officer of the Vestry and of the Congregation, and only in case of a tie, may vote on all questions brought before the Vestry. The Rector is the chief executive officer of RAC.

7.01.2. Spiritual Oversight. The Rector is responsible for the spiritual oversight of RAC and has final authority in the administration of all matters pertaining to the public worship and Christian education within RAC, subject to the godly counsel of the Bishop of the Diocese.

7.01.3. Use of Church Facilities. The Rector shall, at all times, be entitled to the use of Church buildings with the appurtenances and furniture thereof.

7.01.4. Chairman of Guilds. The Rector shall be ex-officio chairman of all guilds and societies engaged in church work except that the Rector may, in his discretion, appoint such other chairpersons of any committees, guilds, or societies to serve at the pleasure and under his direction and advice. All such guilds and societies shall exist at his pleasure and their work shall be under his direction and advice

Employment of Assistants. The Rector may employ any assistant Clergy in such capacities and with such titles (including Vicar or Assistant Rector), which are deemed necessary to carry on the mission of RAC and in the case of paid Clergy, for which financial provision has been made by the Vestry. Further, the Rector may employ any lay staff as necessary to carry on the mission of RAC and in the case of paid lay staff, for which the Vestry has made financial provision. All such persons employed by RAC serve at the discretion of the Rector with the advice of the Vestry.

Section 7.02. Senior Warden. At the annual meeting of the Vestry, the Rector shall nominate a Vestryperson to act as Senior Warden and the Vestry shall thereafter vote on the approval or denial of this nomination; provided, however, in the absence of a Rector a Senior Warden shall be elected by a majority of the Vestry. Upon approval of the Vestry, he or she shall have the power to make and sign deeds, mortgages, contracts and agreements in the name of and on behalf of RAC. In addition to the powers and duties of this Section and described elsewhere in these Bylaws, the Senior Warden shall perform other duties, as the Vestry shall prescribe.

Section 7.03. Junior Warden. At the annual meeting of the Vestry, the Rector shall nominate a Vestryperson to act as Junior Warden and the Vestry shall thereafter vote on the approval or denial of this nomination; provided, however, in the absence of a Rector the Junior Warden shall be elected by a majority of the Vestry. The Junior Warden shall perform the duties of the Senior Warden in his or her absence.

Section 7.04. Duties of Senior and Junior Warden. It shall be the duty of the Senior Warden and the Junior Warden, in the absence of the Rector, and according to seniority, to preside at meetings of the Vestry and of the Congregation; and, in the absence of the Rector, to keep RAC open for the stated times of worship.

Section 7.05. Secretary. The Secretary shall be elected at the Annual Meeting of the Vestry and shall record all proceedings of the meetings of the Members and of the Vestry in a book to be kept for that purpose. The Secretary need not be a member of the Vestry and shall not be entitled to vote on decisions before the Vestry if not a member of the Vestry. Upon the recommendation of the Rector and approval of the Vestry, one or more Assistant Secretaries may be appointed to assist the Secretary.

Section 7.06. Notary Public. The vestry shall appoint a member of RAC to serve as Notary Public in order to transact the day to day business, legal, and financial affairs of RAC.

Notary appointment will be made at the annual meeting of the Vestry and re-appointed every one (1) year.

Section 7.07. Treasurer. The Treasurer shall be the financial officer of RAC; shall have charge and custody of and be responsible for all funds of RAC and all securities owned by RAC; shall keep full and accurate accounts of receipts and disbursements in books belonging to RAC; and shall deposit all such funds and other valuable effects in the name of and to the credit of RAC in such depositories as may be designated by the Vestry. In general, the Treasurer shall perform all duties customarily incident to the office of Treasurer, and such other duties as from time to time may be assigned by the Vestry or by the Rector or Senior Warden. The Treasurer need not be a member of the Vestry and shall not be entitled to vote on decisions before the Vestry if not a member of the Vestry. The Treasurer shall disburse the funds of RAC as may be ordered by the Vestry, taking proper vouchers for such disbursements, and shall render to the Vestry, at its regular meetings or when the Vestry so requires, an account of all transactions as Treasurer and of the financial condition of RAC, and may arrange for the annual audit of Church records. If required by the Vestry, the Treasurer shall give the Vestry a bond in such sum and with such sureties as shall be satisfactory to the Vestry for the faithful performance of the duties of that office and for the Redemption of RAC, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or control belonging to RAC.

Section 7.08. Assistant Treasurer(s). The Vestry may elect one or more Assistant Treasurers from time to time, who need not be members of the Vestry. The Assistant Treasurer(s) shall assist the Treasurer, and shall function as the Treasurer (in order of seniority) in the absence of the Treasurer. The Assistant Treasurer(s) shall be members of the Finance Committee.

Section 7.09. Chancellor. If required by the Vestry, the Chancellor shall be the legal officer of RAC, shall, with the assistance of the Secretary, file and maintain all legal records of RAC; shall advise the Rector, the Vestry, and RAC officers on legal matters and issues affecting RAC which may arise from time to time; and shall otherwise perform such duties incidental to the provision of legal services as may be requested from time to time by the Vestry or by the Rector. The Chancellor need not be a member of the Vestry and shall not be entitled to vote on decisions before the Vestry if not a member of the Vestry.

Section 7.10. Assistant Chancellor(s) Upon the recommendation of the Rector and approval of the Vestry, one or more Assistant Chancellors may be appointed to assist the Chancellor.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01. When Indemnification is Required, Permitted, and Prohibited.

(a) The Church shall indemnify a Vestryperson, the Rector, Clergy, officers (including the Treasurer, Chancellor and Secretary), committee members, employees, or agents of RAC who was, is, or may be named defendant or respondent in any proceeding as a result of

his or her actions or omissions within the scope of his or her official capacity in or with RAC. For the purposes of this article, an agent includes one who is or was serving at the request of RAC as a Vestryperson, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, RAC shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in RAC's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Church shall not indemnify a person who is found liable to RAC or is found liable to another on the basis of receiving an improper personal benefit. A personal benefit is deemed improper if said personal benefit was not approved in advance by the Rector and the Vestry. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent does not necessarily preclude indemnification by RAC.

(c) The Church shall pay or reimburse expenses incurred by a Vestryperson, Rector, officer, member, committee member, employee, or agent of RAC in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting RAC when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this section, RAC may indemnify a Vestryperson, Rector, officer, committee member, employee, or agent of RAC to the extent permitted by law. However, RAC shall not indemnify any person in any situation in which indemnification is prohibited by the terms of section 9.01(a) above.

(e) Before the final disposition of a proceeding, RAC may pay indemnification expenses permitted by the bylaws and authorized by the Vestry. However, RAC shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is named defendant or respondent in a proceeding brought by RAC; or the person is alleged to have received an improper personal benefit as defined by 9.01 (a) or committed other willful or intentional misconduct as prohibited by the policies and procedures of RAC.

(f) If RAC may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of RAC, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Section 8.02. Procedures Relating to Indemnification Payments.

(a) Before RAC may pay any indemnification expenses (including attorney's fees), the Vestry shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as

provided in section 8.02.(c), below. The Vestry may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of Vestrypersons who, at the time of the vote, are not named defendants or respondents in the proceeding.
- (ii) If such quorum cannot be obtained, by a majority vote of a committee of the Vestry, designated to act in the matter by a majority vote of all Vestrypersons, consisting solely of two or more Vestrypersons who at the time of the vote are not named defendants or respondents in the proceeding.
- (iii) Determination by special legal counsel selected by the Vestry by vote as provided in section 8.02(a)(i) or 8.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Vestrypersons.
- (iv) Majority vote of Members, excluding persons who are named defendants or respondents in the proceeding.

(b) The Vestry shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by section 8.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members of the Vestry that requires the indemnification permitted by section 8.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Church shall pay indemnification expenses before final disposition of a proceeding only after the Vestry determines that the facts then known would not preclude indemnification and the Vestry receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under section 8.02(a) above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by RAC if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

ARTICLE IX.

GENERAL PROVISIONS

Section 9.01. Endorsement of Securities. Upon specific direction of the Vestry, any security or securities owned by RAC may be endorsed for sale or transfer in the name of the Treasurer or Senior Warden.

Section 9.02. Voting of Securities Owned by Church. Upon specific direction of the Vestry, any security or securities owned by RAC may be voted at any stockholders' meeting of such other corporation by the Treasurer or Senior Warden of RAC. Whenever, in the judgment of the Treasurer or Senior Warden it shall be desirable for RAC to execute a proxy or give a stockholder's consent with respect to any security or securities issued by any other corporation and owned by RAC, such proxy or consent shall be executed in the name of RAC by the Treasurer or Senior Warden and shall be attested by the Secretary of RAC under the corporate seal (if any) with approval by the Vestry. Any person or persons designated in the manner above stated as the proxy or proxies of RAC shall have full right, power and authority to vote the security or securities issued by such other corporation and owned by RAC, the same as such security or securities might be voted by RAC.

Section 9.03. Business Methods.

9.03.1. Deposit of Funds. Trust and permanent funds and all securities of whatsoever kind shall be deposited with a federally insured bank or other depository institutions deemed by the Treasurer, with the approval of the Rector and the Vestry, to be secure, excepting such funds and securities as may be refused by the depositories named as being too small for acceptance.

9.03.2. Bond Required. Treasurers and custodians, other than banking institutions, may be adequately bonded in such amounts and with such sureties as shall be acceptable to the Vestry in consultation with the Rector.

9.03.3. Books of Account. Books of account shall be kept by the Treasurer and custodians in substantial compliance with generally accepted accounting practices for churches and religious organizations.

9.03.4. Annual Audit. All accounts may be audited or reviewed annually by an independent certified public accountant selected by the Vestry in consultation with the Rector.

9.03.5. Annual Reports. Annual reports of all accounts shall be made at the annual Vestry meeting by the Treasurer.

9.03.6. Insurance. All buildings and their contents shall be kept adequately insured at their replacement cost with such insurers as shall be acceptable to the Vestry in consultation with the Rector. In addition RAC shall obtain and maintain officers and directors liability insurance upon which a claim for indemnification may be made under Section 9.01 herein.

9.03.7. Policy and Procedure Manual. The Vestry (in consultation with the Rector) may, with the assistance of RAC's officers, establish a Policy and Procedures Manual which shall set forth all of the financial, business, personnel, and other policies and procedures to be followed by employees of RAC in the performance of their duties. A majority of the Vestry (in consultation with the Rector) may amend the Policy and Procedures Manual from time to time. The Vestry (in consultation with the Rector), by majority vote, may also establish such other regulations, guidelines, and rules from time to time as are necessary or appropriate for the management of RAC.

Section 9.04. Checks. All checks or demands for money and notes of RAC shall be signed by such officer or officers or such other person or persons as the Vestry (in consultation with the Rector) may from time to time designate.

Section 9.05. Fiscal Year. The fiscal year of RAC shall be determined by majority vote of the Vestry and in consultation with the Rector and Finance Committee.

Section 9.06. Use of Church Buildings. The Church may be opened only for the services, rites, ceremonies, education or other purposes authorized or approved by the Vestry or the Rector, and for no other use.

Section 9.07. Limitation of Powers. The purpose and powers of RAC as set forth in its Certificate of Formation, Articles of Incorporation, and these Bylaws shall be specifically limited by the following provisions:

9.07.1. Non-Profit Status. The Church is organized pursuant to the provisions of the Texas Business Organizations Code related to non-profit corporations (formerly, the Texas Non-Profit Corporation Act) and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

9.07.2. Net Earnings. No part of the net earnings of RAC shall inure to the benefit of or be distributable to any Clergy, Vestryperson or officer of RAC, or a private individual (except that reasonable compensation may be paid for services rendered to or for RAC), and no Clergy, Vestryperson or officer of RAC, or any private individual, shall be entitled to share in the distribution of any of RAC assets on dissolution of RAC.

9.07.3. Political Participation. No part of the activities of RAC shall consist of carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

9.07.4. Preservation of Status. The Church shall not (i) carry on any activity not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Revenue law); (ii) engage in any act of self-dealing as

defined in Section 4941(d) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law); and (iv) make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law).

Further, RAC shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law).

9.07.5. Dissolution. Upon any dissolution of RAC, all of its assets and income not applied in satisfaction and discharge of the liabilities and obligations of RAC shall be distributed to one or more domestic or foreign corporations, societies or organizations which are qualified as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United States Internal Revenue law.

ARTICLE X.

AMENDMENTS TO BYLAWS

The Bylaws may be altered, amended or repealed at any regular meeting of the Vestry or at any special meeting of the Vestry, if notice of the proposed alteration or repeal be contained in the notice of such regular or special meeting, by the affirmative vote of a 2/3 (two-thirds) majority of the members of the Vestry who are present and voting at a meeting at which a quorum is present; provided, that any such alteration, amendment or substitute Bylaws shall be consistent with law.

Certification of Secretary

I hereby certify that the above and foregoing Bylaws were adopted by the Board of Directors of REDEMPTION ANGLICAN CHURCH, Inc. on the _____ day of _____, 20_____.

Secretary