

RESTATED BYLAWS
OF
HERITAGE PRESBYTERIAN CHURCH

Effective June _____, 2008

**RESTATED BYLAWS
OF
HERITAGE PRESBYTERIAN CHURCH**

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RESTATED BYLAWS
OF
HERITAGE PRESBYTERIAN CHURCH

These Restated Bylaws (“Bylaws”) govern the affairs of Heritage Presbyterian Church, a non-profit corporation (hereinafter, the “Corporation” or “Heritage Presbyterian”).

ARTICLE 1

OFFICES

Principal Office

1.01. The Corporation’s principal office in Texas will be located at 7934 Highway 6 North, Houston, Texas 77095-1802. The Corporation may have such other offices, in Texas or elsewhere, as the Session (as that term is defined in the Articles of Incorporation of the Corporation) may determine. The Session may change the location of any office of the Corporation.

Registered Office and Registered Agent

1.02. The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation’s principal office in Texas. The Session may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act (as amended or replaced from time to time, the “ACT”).

ARTICLE 2

**OBJECTIVES, PURPOSES, FORMATION,
LIMITATIONS, POWERS AND DUTIES, PROPERTY**

Purpose

2.01. The purposes for which the Corporation is formed are as more fully set forth in the Constitution of the Presbyterian Church (U.S.A.) (as the same may be amended, established, made and declared by the authority of the Presbyterian Church (U.S.A.) from time to time, hereinafter called the “PCUSA CONSTITUTION”) (citations herein are to Part II of the PCUSA CONSTITUTION, entitled the *Book of Order*), including the “Great Ends of the Church” (see *Book of Order G-1.0200*), and in the articles of incorporation of the Corporation (as amended or restated from time to time, the “Articles of Incorporation”).

Formation

2.02. The Corporation has been formed pursuant to the PCUSA CONSTITUTION (see *Book of Order G-7.0401*). Heritage Presbyterian is a member church of Presbytery of New Covenant, Inc. (with its successors, the “*Presbytery*”), in the Synod of the Sun, of the Presbyterian Church (U.S.A.).

Authority

2.03. In carrying out such purposes, the Trustees (as hereinafter defined) and the Corporation shall be under the authority of the Session (as hereinafter defined) and the Congregation (as hereinafter defined) of Heritage Presbyterian and shall, at all times and in all respects, conform to and support the PCUSA CONSTITUTION (see *Book of Order G-7.0402*), except to the extent, if any, that the same conflicts with the laws of the State of Texas.

Limitation of Powers and Duties

2.04. The powers and duties of the Corporation and its Trustees shall not infringe upon the powers and duties of the Session or of the board of deacons (if any) of Heritage Presbyterian (see *Book of Order G-7.0401, G-7.0402, G-10.0102*).

Powers and Duties

2.05. The Corporation shall have the powers and duties set forth in its Articles of Incorporation.

All Property Held in Trust

2.06. All property of the Corporation, both real and personal, is held in trust for the use and benefit of the Presbyterian Church (U.S.A.) (see *Book of Order G-8.0201*).

Particular Property Requirements

2.07. When buying, selling and mortgaging real property, the Session shall act only after the approval of the Congregation granted in a duly constituted meeting of the Members of the Corporation (see *Book of Order G-7.0402*). The Corporation shall not sell, mortgage or otherwise encumber any of the Corporation’s real property, and shall not acquire real property subject to an encumbrance or condition, without the written permission of the Presbytery transmitted through the Session (see *Book of Order G-8.0501*). The Corporation shall not lease its real property used for purposes of worship, or lease for more than five (5) years any of its other real property, without the written permission of the Presbytery transmitted through the Session (see *Book of Order G-8.0502*).

Property Conveyances

2.08. Pursuant to the PCUSA CONSTITUTION (see *Book of Order G-8.0201*), any real property acquired by the Corporation, the Session, the Board of Trustees, or a Trustee on behalf of the Corporation from and after the date of adoption of these Bylaws will include the following language in the deed:

“The premises herein conveyed shall be used, kept and maintained by the Grantee for Divine Worship and other purposes of its ministry as a particular church belonging to Presbytery of New Covenant, Inc. subject to the provisions of the Constitution of the

Presbyterian Church (U.S.A.). The Grantee holds the property in trust pursuant to the provisions of the Constitution of the Presbyterian Church (U.S.A.).”

ARTICLE 3

MEMBERS

Eligibility for Membership

3.01. Only members on the active roll of Heritage Presbyterian shall be members of the Corporation (herein, “**Members**”) and eligible for election as Elders in active service on the Session and as Trustees (see *Book of Order G-7.0401*). The Members are sometimes herein collectively referred to as the “**Congregation**.” Pastors are not members of the Congregation and, so, are not Members of the Corporation (see *Book of Order G-7.0308*).

Active Members

3.02. The roll of active Members established and maintained by the Session as prescribed by the *Book of Order (G-10.0302)* shall determine those individuals who are active Members from time to time.

ARTICLE 4

MEETINGS OF MEMBERS

Annual Meeting

4.01 There shall be an annual meeting of the Members of the Corporation.

Place and Time

4.02. Such meeting shall be held at the same place and time as the annual meeting of the Congregation or immediately thereafter. All meetings of the Members, annual and otherwise, shall be held at the Corporation’s principal office. Both ecclesiastical and corporate business may be conducted at the same meeting (see *Book of Order G-7.0304*). Any stated or called meeting of the Congregation shall be a meeting of the Members of the Corporation, and any business may be conducted that is appropriate to the Corporation.

Special Meetings

4.03. Special meetings of the Members may be called as provided in Section 4.04 (on like notice as of the annual meeting) for any or all of the purposes appropriate to an annual meeting or to conduct such other business as may be proper for congregational consideration (see *Book of Order G-7.0304*). The business to be transacted shall be limited to items specifically listed in the call for the meeting.

How Meetings Are Called

4.04. Meetings of the Members may be called:

- (a) by the Session whenever it determines such a meeting is necessary,
- (b) by the Presbytery whenever it determines such a meeting is necessary, or
- (c) by the Session when requested in writing by one-fourth of the Members.

Notices

4.05. Public notice of any meeting of the Members shall be given on two successive Sundays. The meeting may be convened following the notice given on the second Sunday.

Business

4.06. Business to be transacted at meetings of the Members may include, without limitation, the following:

- (a) matters related to the electing of Elders, deacons (if any), and Trustees;
- (b) matters related to the calling of a Pastor or Pastors;
- (c) matters related to the pastoral relationship, such as changing the call, or requesting or consenting or declining to consent to dissolution;
- (d) matters related to buying, mortgaging, or selling real property (see *Book of Order G-8.0500*);
- (e) matters related to the permissive powers of a Congregation, such as the desire to lodge all administrative responsibility in the Session, or the request to the Presbytery for exemption from one or more requirements because of limited size.

Quorum

4.07. The quorum of a meeting of the Members shall be not less than one-tenth of the Members unless Heritage Presbyterian, upon application to the Presbytery, shall obtain the consent of the Presbytery to a provision for a smaller quorum. The Congregation by its own vote may fix a higher quorum. No meeting of fewer than three (3) Members shall be considered a congregational meeting.

Moderator

4.08. The Pastor shall be the moderator of all meetings of the Congregation. If there are Co-Pastors, they shall, when present, alternately preside at meetings. When the Corporation is without a Pastor, the moderator of the Session appointed by the Presbytery shall preside at all congregational meetings. If it is impractical for the Pastor or the moderator of the Session appointed by the Presbytery to preside, he or she shall invite, with the concurrence of the Session, another minister of the Presbytery to preside. A Presbytery may appoint a lay pastor as moderator of the Session to Heritage Presbyterian if such lay pastor is commissioned thereto.

Secretary

4.09. The clerk of the Session shall be secretary of meetings of the Congregation.

In Case of a Tie

4.10. Since a Pastor is not a Member of the Congregation, she or he may not vote in the meeting of the Congregation. When there is a tie vote, a Pastor presiding shall put the question a second time. If there is a tie vote again, the motion is lost.

Procedural Requirements

4.11. The meetings of the Members shall be conducted to conform to the procedural requirements of meetings of the Congregation and the provisions of the PCUSA CONSTITUTION (see *Book of Order G-7.0300*). In addition to those requirements and provisions, these Bylaws provide specific guidance for the Corporation. *Robert's Rules of Order (Newly Revised)* shall be used for parliamentary guidance.

Proxy Voting

4.12. Voting of Members by proxy is prohibited (see *Book of Order G-7.0404*).

ARTICLE 5

SESSION; BOARD OF TRUSTEES; DEACONS

Role; Membership; Voting Rights; Powers and Duties

5.01. The membership, voting rights, powers and duties of the Session and the Board of Trustees shall be as set forth in this Section 5.01.

(a) *Role of Session.* The Session shall be the governing body of Heritage Presbyterian and, for all purposes of civil law applicable to the Corporation, the governing body of the Corporation, except in either such case as and to the extent that the *Book of Order*, and/or applicable law, specifically reserves certain rights to the members of the Congregation, or the Members of the Corporation, as the case may be. (See, e.g., *Book of Order G-7.0304a* and *G-7.0402*.)

(b) *Membership of Session.* The Session shall (as provided in *Book of Order G-10.0101*) consist of the Pastor, or (if at any time there shall be such) Co-Pastors, and any Associate Pastors, of Heritage Presbyterian, and the Elders in active service from time to time. All members of the Session, including the Pastor or Co-Pastors, Associate Pastors and Elders in active service on the Session shall (as provided in *Book of Order G-10.0101*) be entitled to vote. The Pastor or (if at any time there shall be such) Co-Pastors of Heritage Presbyterian shall (as provided in *Book of Order G-10.0103a*) preside (or alternate in presiding, as the case may be) at meetings of the Session.

(c) *Membership of Board of Trustees.* The Elders in active service on the Session from time to time shall (as provided in *Book of Order G-7.0401*) constitute the Board of Trustees (herein, the “**Board of Trustees**” or the “**Board**”), and their election to the Session, ordination and installation as serving members of that body shall *ipso facto* constitute them as Trustees (herein, the “**Trustees**”). The Pastor or (if at any time there shall be such) Co-Pastors of Heritage Presbyterian shall preside (or alternate in presiding, as the case may be) at meetings of the Board of Trustees.

(d) *Eligibility.* Only Members on the active roll of Heritage Presbyterian shall be Members of the Corporation and, as such, eligible for election, ordination and installation as Elders in active service on the Session and as Trustees (see *Book of Order G-7.0401*).

(e) *Powers and Duties.* The Session and the Board of Trustees shall have the powers and duties respectively conferred upon them by *Book of Order G-10.0102* and *G-7.0402*, and such other powers and duties, whether or not appurtenant thereto, as may be conferred or imposed by applicable law; *provided, however,* that (as provided in *Book of Order G-7.0401*) the powers and duties of the Board of Trustees shall not infringe upon the powers and duties of the Session.

(f) *Termination.* Termination for cause of the active service of a person on Session shall automatically terminate such person as a Trustee of the Corporation (see *Book of Order G-7.0401*).

Constitution of Session and Board of Trustees

5.02. The number of Elders comprising the Session (and, consequently, the Board of Trustees) shall consist of twelve (12) (or such other whole number, evenly divisible by three (3), as the Session may from time to time by resolution establish) ordained Elders duly nominated by the Nominating Committee or from the floor at the particular meetings at which they were elected, duly elected by the Members at meetings duly called and held for the purpose, at which a quorum was present and acting throughout, and who have been installed as members of the Session in active service. One-third of the total number of Elders serving on Session shall be elected and installed each year, and for this purpose Elders so elected and installed shall be classified into three (3) classes, equal in number and designated by the respective years in which, subject to election and installation of their successors, their terms will expire. The terms of the Elders in each such class shall commence upon their installation and (except for Elders elected to fill vacancies) shall expire on December 31 of the third calendar year following the year of their election or, if later, upon ordination and installation of their respective successors. Any Elder may serve multiple terms in active service on the Session (and, consequently, the Board of Trustees), but in each case only following at least one (1) intervening year in which he or she was not in such active service.

Power and Authority

5.03. The Session shall have power and authority to carry out the affairs of the Corporation and in so doing may elect or appoint all necessary officers or committees; may employ all such employees as shall be requisite for the conduct of the affairs of the Corporation; may fix the compensation of such persons; may prescribe the duties of such persons; may dismiss any appointed officer or agent of the Corporation without previous notice. The Session may, in the absence of an officer, delegate that officer's powers and duties to any other officer, Session member or a Trustee for the time being.

Duties

5.04. Members of the Session and Trustees will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on members of the Session or Trustees, such persons may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that has been prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or legal counsel. A Session member or Trustee is not relying in good faith if he or she has knowledge

concerning a matter in question that renders reliance unwarranted. Members of the Session and Trustees are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

Delegating Duties

5.05. Members of the Session and Trustees may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Corporation's behalf; and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The members of the Session and Trustees have no liability for actions taken or omitted by the advisor if they acted in good faith and with ordinary care in selecting the advisor. They may remove or replace any such advisor at any time and without any cause whatsoever.

Interested Parties

5.06. Contracts or transactions between the Corporation and members of the Session, Trustees, officers, or Members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the Session member, Trustee, officer, or Member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, every such person with any personal interest in the transaction must disclose all material facts concerning the transaction, including all potential personal benefits and potential conflicts of interest, to the other members of the Session or other group authorizing the transaction. The transaction must be approved by a majority of the uninterested Session members or of the uninterested members of another group with the authority to authorize the transaction.

Compensation

5.07. Members of the Session and Trustees may not receive salaries for their services as such. A member of the Session or Trustee may serve the Corporation in any other capacity (including those of Pastor, Co-Pastor or Associate Pastor) and receive compensation for those services. Any such compensation that the Corporation pays will be reasonable and commensurate with the services performed.

Deacons

5.08. Subject to the provisions of *Book of Order G-6.0407*, the Session may elect, and cause to be ordained, one or more deacons of Heritage Presbyterian. At the discretion of the Session, the deacons may be organized as a board, or they may be commissioned individually by the Session to particular tasks consistent with the responsibility of their office. The ministries, responsibilities, organization, supervision, meetings and service of the deacons shall be consistent with, governed by and subject to the provisions of *Book of Order G-6.0400*. The Congregation by a majority vote may elect not to use the office of deacon (see *Book of Order G-6.0407*).

Special Provision: Administrative Commission as Session

5.09 Notwithstanding the foregoing, if at any time or from time to time the Presbytery shall appoint, with respect to Heritage Presbyterian, an administrative commission with the full power of a session, and such administrative commission has assumed and not relinquished original jurisdiction, as contemplated by *Book of Order G-11.0103*, in such event and notwithstanding any contrary provision of these Bylaws

or of any other such constitutive document, the persons who are members of such administrative commission shall for all purposes of these Bylaws and for all other purposes serve as the Trustees and the the Session of Heritage Presbyterian, and all references herein and in the Articles of Incorporation and in any other such constitutive document to the “*Session*” or the “*Trustees*” shall be deemed to mean and refer to such persons. Except to the extent that application thereof would be inconsistent with any provision of the *Book of Order* applicable to such administrative commission, or any action of the Presbytery in appointing and empowering it, these Bylaws shall apply to such administrative commission acting as the Session of Heritage Presbyterian in like manner as if it were a Session elected by the Members as provided in the foregoing Section 5.02. For the avoidance of doubt and not by way of limitation, a quorum of any such administrative commission shall consist of the chair (or other person presiding) and one-third of the commission members but no fewer than two, except for the reception and dismissal of members (when the quorum shall be the chair (or other person presiding) and two commission members), and the action of a majority of those present at any meeting at which a quorum is present shall be the action of the administrative commission acting as the Session of Heritage Presbyterian. Notwithstanding any other provision of these Bylaws, this Section 5.09 may not be amended or modified in any respect that would be inconsistent with any provision of the *Book of Order* applicable to an administrative commission to which it applies, or any action of the Presbytery in appointing and empowering such an administrative commission, except with the prior consent of the Presbytery’s General Council.

ARTICLE 6

MEETINGS OF THE SESSION AND BOARD OF TRUSTEES

Annual Meeting

6.01. The annual meetings of the Session and Board of Trustees shall be held in conjunction with or immediately following the annual meetings of the Congregation of Heritage Presbyterian.

Procedures

6.02. The meeting requirements and provisions of the PCUSA CONSTITUTION shall govern. In addition to those requirements and provisions, these Bylaws provide specific guidance for the Corporation. *Robert's Rules of Order (Newly Revised)* shall be used for parliamentary guidance.

Notices

6.03. Notice of the time and place, and in case of a special meeting, the purpose of such special meeting of the Session or the Board of Trustees, shall be in writing and shall be duly sent, mailed or otherwise delivered to each Session member or Trustee not later than the day of the meeting; provided, that no notice of any regularly scheduled or adjourned meeting need be given. The signing of a written waiver of notice of any meeting by the Session members or Trustees entitled to receive the same, whether before or after the time stated therein, shall be deemed to be equivalent to the giving of such notice. Attendance of a Session member or Trustee at a meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Meetings may be held at any time without notice if all of the Session members or Trustees are present or if those not present waive notice of the time, place, and purpose of the meeting, either before or after the holding thereof.

Quorum; Action

6.04. A quorum for the transaction of business shall consist of the presiding pastor and one-third of the Session members but no fewer than two, except for the reception and dismissal of members (when the quorum shall be the moderator and two members of the Session), and the action of a majority of those present at any meeting at which a quorum is present shall be the action of the Session or Board of Trustees. If at any meeting of the Session or Board of Trustees there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum shall have been obtained.

Proxies

6.05. Voting of Session members or Trustees by proxy is prohibited.

Regular Meetings

6.06. The Session or the Board may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held inside or outside Texas, and will be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings is required other than a resolution stating the time and place of the meetings.

Special Meetings

6.07. Special meetings of the Session or Board of Trustees may be held simultaneously with meetings of the Congregation or immediately thereafter. Special meetings may be held at any time upon the call of Session, the President or Vice President, or of not less than one-third of the Trustees then in office.

ARTICLE 7

OFFICERS

Officers

7.01. The Session, as soon as may be after the election, ordination and installation of Elders in active service and Trustees in each year, shall elect from their number a President of the Corporation, and may from time to time select one or more Vice-Presidents, Assistant Secretaries, and Assistant Treasurers. The Clerk of Session shall serve as Secretary of the Corporation. The Treasurer elected by the Session shall serve as Treasurer of the Corporation (see *Book of Order G-10.0400*). The same person may hold any two offices except those of President and Secretary. The Session may also appoint such other officers and agents as may be deemed necessary for the transaction of the affairs of the Corporation.

Term

7.02. The term of office for all officers shall be one (1) year or until their respective successors are chosen. Any officer elected by the Session may be removed from the office at any meeting of the Session by the affirmative vote of a majority of the Session members in office, whenever in their

judgment the interest of the Corporation will be served thereby. The Session shall have full power to fill any vacancies in any offices it is authorized to elect occurring for any reason whatsoever.

Powers and Duties

7.03. The officers of the Corporation shall respectively have such powers and perform such duties in the management of property and affairs of the Corporation, subject to the control of the Session, as generally pertain to their respective offices, as well as such additional powers and duties as may from time to time be conferred by the Session. No action taken by the officers shall infringe upon the authority of the Session of Heritage Presbyterian or of the board of deacons, if any, and all actions shall be in conformity with the PCUSA CONSTITUTION. Subject to this Section 7.03, these Bylaws and the Articles of Incorporation of the Corporation, the officers shall have the following powers and duties in regards to the Corporation:

- (a) The President shall: (1) make such appointments as directed, authorized, or required, including appointing (as directed by the Session) Elders to serve on committees who shall be responsible for reporting to the Session concerning the activities of their respective committees; (2) execute any and all documents of whatsoever kind and nature necessary to carry out the purpose and functions of the Corporation; (3) be responsible for carrying out the directives and requirements of applicable law, these Bylaws, and the Articles of Incorporation; (4) in general, perform all duties incident to the office of President; and (5) perform such other duties as may from time to time be assigned by the Session.
- (b) The Vice President(s) shall: (1) assist the President in the exercise of his or her duties; (2) in the absence or inability of the President, execute the duties of the President; (3) in general, perform all duties incident to the office of Vice President; and (4) perform such other duties as may from time to time be assigned by the Session.
- (c) The Secretary (Clerk of Session) shall: (1) perform for the Corporation those duties set out in the PCUSA CONSTITUTION (see *Book of Order G-9.0203*); (2) record all votes by the Session and Board of Trustees; (3) be the custodian of the corporate seal, if any, and affix it to all documents to be executed on behalf of the Corporation under its seal; (4) in general, perform all duties incident to the office of Secretary; and (5) perform such other duties as may from time to time be assigned by the Session.
- (d) The Treasurer (elected by the Session) shall: (1) perform for the Corporation those duties set out in the PCUSA CONSTITUTION (see *Book of Order G-10.0400*); (2) be responsible for the safekeeping of all funds and assets, except for those funds expressly assigned to the trusteeship of another; (3) be responsible for the filing of any and all tax and other financial reports as required by applicable law; (4) deposit all monies, drafts, and checks in the name of or to the credit of Heritage Presbyterian or the Corporation at such banks or depositories as the Session shall designate; (5) in general, perform all duties incident to the office of Treasurer; and (6) perform such other duties as may from time to time be assigned by the Session.
- (e) Assistant Secretaries shall perform those duties of the Secretary as directed by the Session.
- (f) Assistant Treasurers shall perform those duties of the Treasurer as directed by the Session.

Checks, Notes, Drafts, and So On

7.04. The Session may, from time to time, prescribe the manner of making signature or endorsement of bills of exchange, notes, drafts, checks, acceptances, obligations, and other negotiable paper or other instruments for the payment of money and designate the officer or officers, agent or agents, who shall from time to time be authorized to make, sign, or endorse the same on behalf of the Corporation.

ARTICLE 8

COMMITTEES

Establishing Committees

8.01. The Session may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee will include two or more Elders in active service and may include persons who are not such. If the Session delegates any of its management authority to a committee, the majority of the committee will consist of Elders in active service. The Session may also delegate to the President its power to appoint and remove members of a committee that has not been delegated any management authority of the Session. The Session may establish qualifications for membership on a committee.

Establishing a committee or delegating authority to it will not relieve the Session, or any individual Elder, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Session to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets.
- (d) Authorize voluntary dissolution of the Corporation.
- (e) Revoke proceedings for voluntary dissolution of the Corporation.
- (f) Adopt a plan for distributing the Corporation's assets.
- (g) Amend, alter, or repeal these Bylaws.
- (h) Elect, appoint, or remove a member of a committee, an Elder in active service, or a Trustee or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in Section 9.04, below.
- (j) Take any action outside the scope of authority delegated to it by the Session.

Authorization of Specific Committees

8.02. The following committees are authorized: *Nominating, and such other committees as the Session may from time to time establish.* The Session will define the activities and scope of authority of each committee by resolution.

Term of Office

8.03. Each committee member will continue to serve on the committee until a successor is appointed. However, a committee member's term may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee will serve for the unexpired portion of the terminated committee member's term.

Chair and Vice-Chair

8.04. One member of each committee will be designated as the committee chair, and another member of each committee will be designated as the vice-chair. The chair and vice-chair will be appointed by the committee in consultation with the Pastor(s). The chair will call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair will perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of—and is subject to all of the restrictions on—the chair. At the pleasure of the committee in consultation with the Pastor(s), co-chairs may be appointed.

Notice of Meetings

8.05. Written or printed notice of a committee meeting will be delivered to each member of a committee not less than two (2) days before the date of the meeting. The notice will state the place, day, and time of the meeting, and the purpose or purposes for which it is called. Notwithstanding the foregoing, however, no notice of the meeting shall be required to be given with respect to a committee's regular monthly stated meetings (other than as to cancellation or rescheduling thereof).

Quorum

8.06. One-third of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required for a quorum. If a quorum is never present at any time during a meeting, the chair may adjourn and reconvene the meeting once without further notice.

Actions of Committees

8.07. Committees will try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

Proxies

8.08. A committee member may not vote by proxy.

Compensation

8.09. Committee members may not receive salaries for their services. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member will be reasonable and commensurate with the services performed.

Rules

8.10. Each committee may adopt its own rules, not inconsistent with these Bylaws or with other rules that may be adopted by the Session.

ARTICLE 9

TRANSACTIONS OF CORPORATION

Contracts

9.01. The Session may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

Deposits

9.02. All the Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Session selects.

Gifts

9.03. The Session may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Session may make gifts and give charitable contributions not prohibited by these Bylaws, the Articles of Incorporation, state law, and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

Potential Conflicts of Interest

9.04. The Corporation may not make any loan to a Session member, Trustee, officer or committee member of the Corporation. A Session member, Trustee, officer, or committee member of the Corporation may lend money to—and otherwise transact business with—the Corporation except as otherwise provided by these Bylaws, the Articles of Incorporation, and applicable law. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation may not borrow money from—or otherwise transact business with—a Session member, Trustee, officer, or committee member of

the Corporation unless the transaction is described fully in a legally binding instrument and is in the Corporation's best interests. The Corporation may not borrow money from—or otherwise transact business with—a Session member, Trustee, officer, or committee member of the Corporation without full disclosure of all relevant facts and without the Session's approval, not including the vote of any person having a personal interest in the transaction.

Prohibited Acts

9.05. As long as the Corporation exists, and except with the Session's prior approval, no Session member, Trustee, officer, or committee member of the Corporation may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Corporation's intended or ordinary business.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the Corporation's assets, directly or indirectly, for any purpose other than carrying on the Corporation's business.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the Corporation's name (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of its business.
- (h) Disclose any of the Corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 10

BOOKS AND RECORDS

Required Books and Records

10.01. The Corporation will keep correct and complete books and records of account. The books and records include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of all bylaws, including these Bylaws, and any amended versions or amendments to them.

- (c) Minutes of the proceedings of the Session, Board and committees having any of the authority of the Session or the Board.
- (d) A list of the names and addresses of the Elders in active service, Trustees, officers, and any committee members of the Corporation.
- (e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the three (3) most recent fiscal years.
- (f) A financial statement showing the Corporation's income and expenses for the three (3) most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- (h) The Corporation's federal, state, and local tax information or income-tax returns for each of the Corporation's three (3) most recent tax years.

Inspection and Copying

10.02. Any Elder in active service, Trustee, officer, or committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under these Bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than five (5) working days after the Corporation receives a proper written request. The Session may establish reasonable copying fees, which may cover the cost of materials and labor but may not exceed twenty-five cents (\$.25) per page or such other amount as may be charged by a third-party copy service used to make such copies. The Corporation will provide requested copies of books or records no later than five (5) working days after receiving a proper written request.

ARTICLE 11

FISCAL YEAR

The Corporation's fiscal year will begin on the first day of January and end on the last day in December in each year.

ARTICLE 12

INDEMNIFICATION

When Indemnification Is Required, Permitted, and Prohibited

12.01. (a) The Corporation will indemnify a Session member, Trustee, officer, member, committee member, employee, or agent of the Corporation 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 the Corporation. For the purposes of this Article, an agent includes one

who is or was serving at the Corporation's request as a Session member, Trustee, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

(b) The Corporation will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Corporation's best interests. In 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 Corporation will not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit from the Corporation. 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. 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 the Corporation.

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

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a Session member, Trustee, officer, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation will not indemnify any person in any situation in which indemnification is prohibited by Section 12.01(a), above.

(e) The Corporation may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be eventually be entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in Section 12.03(c), below, have been satisfied. Furthermore, the Corporation will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Corporation or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

Extent and Nature of Indemnity

12.02. The indemnity permitted under these Bylaws includes indemnity against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

12.03. (a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of members of the Session, who, at the time of the vote, are not named defendants or respondents in the proceeding.
- (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Session, designated to act in the matter by a majority vote of all members of the Session, 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 Session by the same vote as provided in sub-subparagraph (i) or (ii), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote.

(b) The Corporation will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a)(iii), above, governing selection of special legal counsel. A provision contained in the Articles of Incorporation, or a resolution of members or the Session that requires the indemnification permitted by Section 12.01, 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 Corporation will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a), above. In addition to this determination, the Corporation may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

ARTICLE 13

NOTICES

Notice

13.01. Any notice required or permitted by these Bylaws to be given to a Session member, Trustee, officer, or member of a committee of the Corporation may be given in a writing hand-delivered, mailed or conspicuously posted at the Corporation's principal office or transmitted by electronic means (including email). If mailed, a notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears on the corporate records, with postage prepaid. If given by electronic means, a notice is deemed delivered when sent addressed to the person at his or her address as it appears on the corporate records. A person may change his or her address in the corporate records by giving written notice of the change to the Secretary of the Corporation.

Signed Waiver of Notice

13.02. Whenever any notice is required by law or under the Articles of Incorporation or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

Waiving Notice by Attendance

13.03. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 14

SPECIAL PROCEDURES CONCERNING MEETINGS

Meeting by Telephone Conference or Other Remote Communications Technology

14.01. Members of the Session or Board of Trustees of the Corporation or of any committee designated by the Session may participate in and hold a meeting of such Session, Board or committee by means of:

- (a) conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other; or
- (b) another suitable electronic communications system, including videoconferencing technology or the Internet, only if:
 - (i) each member entitled to participate in the meeting consents to the meeting being held by means of that system; and
 - (ii) the system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant.

Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Decision Without Meeting

- 14.02. (a) Any decision required or permitted to be made at a meeting of the Session, Board, or any committee may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents will be placed in the Corporation minute book and kept with the corporate records.
- (b) Furthermore, in accordance with the Articles of Incorporation, action may be taken without a meeting when there are signed written consents by the number of Session members, Trustees or committee members whose votes would be necessary to take action at a meeting at

which all such persons entitled to vote were present and voted. Each written consent must be signed and bear the date of signature of the person signing it. A telegram, telex, cablegram, email or similar transmission by a Session member, Trustee or committee member, or a photographic, facsimile, or similar reproduction of a signed writing, will be treated as an original being signed by the Session member, Trustee or committee member.

(c) Consents must be delivered to the Corporation. A consent signed by fewer than all Session members, Trustees or committee members is not effective to take the intended action unless the required number of consents are delivered to the Corporation within sixty (60) days after the date that the earliest-dated consent was delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If the delivery is made to the Corporation's principal place of business, the consent must be addressed to the President or principal executive officer.

(d) The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the secretary of state, the filed documents will indicate that these written consent procedures were followed to authorize the action and filing.

ARTICLE 15

AMENDING BYLAWS

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Session; provided, that the Bylaws must at all times and in all respects remain in conformity with the PCUSA CONSTITUTION (see *Book of Order G-7.0401, G-7.0402, G-8.0201*), except to the extent, if any, that the same conflicts with the laws of the State of Texas. The notice of any meeting at which these Bylaws are altered, amended, or repealed, or at which new Bylaws are adopted will include the text of the proposed Bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 16

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

16.01. These Bylaws will be construed under Texas law. All references in these Bylaws to the PCUSA CONSTITUTION, the *Book of Order*, statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended or replaced from time to time.

Legal Construction

16.02. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to non-profit corporations. If any Bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and these Bylaws will be

construed as if they had not included the invalid, illegal, or unenforceable provision. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words, “includes” and “including,” shall be deemed to be followed by the phrase, “without limitation.”

Headings

16.03. The headings used in these Bylaws are for convenience and may not be considered in construing these Bylaws.

Number

16.04. All singular words include the plural, and all plural words include the singular.

Seal

16.05. The Session may, but need not, provide for a corporate seal. Such a seal would consist of two concentric circles containing the words “*Heritage Presbyterian Church*” and “*Texas*,” in one circle and the date of incorporation in the other circle.

Power of Attorney

16.06. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary to be kept with the corporate records.

Parties Bound

16.07. These Bylaws will bind and inure to the benefit of the Members, members of the Session, Trustees, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns, except as these Bylaws may otherwise provide.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Heritage Presbyterian Church and that these Bylaws constitute the Corporation’s Bylaws. These Bylaws were duly approved, adopted, ratified and confirmed at a meeting of the Congregation held on June _____, 2008, and, by the terms of the Congregation’s action, became effective on June _____, 2008.

Dated: June _____, 2008.

Mary Herlitz
Secretary of the Corporation
and Clerk of the Session