

**RESTATED AND AMENDED BYLAWS  
OF  
MEMORIAL DRIVE PRESBYTERIAN CHURCH  
(A NONPROFIT CORPORATION)**

These Restated and Amended Bylaws (the “bylaws”) govern the affairs of Memorial Drive Presbyterian Church, a Texas nonprofit corporation (the “Church” or “MDPC”), organized under the Texas Business Organizations Code, Chapter 22 (the “Act”).

**ARTICLE 1  
OFFICES**

1.01. Principal Office. The principal office of the Church in the State of Texas shall be located at 11612 Memorial Drive, Houston, TX 77024. The Church may have such other offices, either in Texas or elsewhere, as the Session may determine. The Session may change the location of any office of the Church.

1.02. Registered Office and Registered Agent. The Church shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Church's principal office in Texas. The Session may change the registered office and the registered agent as provided in the Act.

**ARTICLE 2  
NONPROFIT PURPOSES**

2.01. Tax Exemption. This Church is organized for one or more of the religious, charitable, and educational purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). Specifically, the Church shall be organized and operated exclusively: (a) as a church as described in Section 170(b)(1)(A)(i) of the Code and (b) for religious purposes within the meaning of Section 501(c)(3) of the Code. The Church pledges that all its assets will be used only for the Church’s exempt purposes.

**ARTICLE 3  
RELATION TO ECO**

3.01. ECO. The Church is a member congregation of ECO: A Covenant Order of Evangelical Presbyterians, a church denomination (“ECO”), and of the ECO Presbytery (“Presbytery”), that exercises jurisdiction over the Church. The Church is governed by the ECO Constitution (the “*Constitution*”), which is incorporated into and made a part of this document.

This Church shall constitute the corporation through which MDPC shall act as described in the *Constitution*. The following bylaws set forth provisions for the governance and operation

of the Church. These bylaws shall at all times be subject to the provisions of the *Constitution*, and the applicable provisions in the *Constitution* shall take priority over any inconsistent provisions in these bylaws as long as they comply with the Act. These bylaws are also subject to the Act and the Certificate of Formation of MDPC.

#### **ARTICLE 4** **MEMBERS**

4.01. Members. The Church shall have two classes of members. Only active members shall have full voting rights in any matter brought before the congregation as provided for in these bylaws. The membership of the Church includes baptized members and covenant partners (“active members”).

4.02. Baptized Members. A baptized member is a person who has received the sacrament of Baptism but either has not yet made a profession of faith in Jesus Christ as Lord and Savior or has not become a member.

4.03. Active Members. An active member is a person who has made a profession of faith in Christ, has been baptized, has been received into the membership of the Church, has voluntarily submitted to the government of this Church, and participates in the Church’s worship and work. Active members are eligible to vote in congregational meetings.

4.04. Meetings of Congregation Members. Meetings of the congregation shall be called by the Session or when requested in writing by one-fourth of the active members on the membership roll of the congregation. An annual meeting of the congregation shall take place on the MDPC campus each year at a time designated by the Session, at which meeting the congregation may hear reports and plans from the Session and other church organizations and transact business as appropriate, including an informational report on the revised terms of call for the MDPC pastors previously approved by the Session, as prescribed in the *ECO Constitution*.

4.05. Special Meetings of Members. Special meetings may be called by the Session for purposes appropriate to an annual meeting or such other business as may be proper for congregational consideration, *e.g.*, matters related to electing officers, calling pastors, pastoral relationships, buying, selling, or mortgaging real property, and permissive powers of a congregation. The business to be transacted shall be restricted to that which is specified in the call.

4.06. Moderator of Congregational Meetings. The Moderator shall moderate the meetings of the congregation and may make such rules for the conduct of congregational meetings as he or she regards as reasonable. If it is impractical for the Moderator of the Session or another pastor to preside, a member of the Session may be invited to preside. Congregational meetings shall be conducted following *Roberts Rules of Order* or any rules the Session adopts for the meetings.

4.07. Quorum for Congregational Meetings. The quorum of a meeting of the congregation shall be the Moderator, the Clerk of Session, and at least 10% of the active members of the congregation. The Clerk of Session shall determine that a quorum is present.

4.08. Business Conducted at Congregational Meetings. The following business items must be conducted at a congregational meeting, but not necessarily at every congregational meeting; nor are congregational meetings limited to just the following:

- a. Electing elders (as well as deacons, if the congregation chooses).
- b. Calling a Pastor/Head of Staff, Associate Pastor, or requesting the dissolution of such calls.
- c. Buying, mortgaging, transferring or selling real property.
- d. Requesting that presbytery dismiss the congregation to another presbytery of ECO, or requesting that the presbytery dismiss the congregation to another Reformed body. (Either requires a super-majority of two-thirds of the members present).
- e. Approving any amendments to the congregation's Certificate of Formation, bylaws, or other corporate governing documents and dissolution, merger, and any other corporate action requiring voting member approval.
- f. Authorizing Assistant Pastors to serve on Session with voice and vote by the congregation's own rule.

Whenever permitted by law, both ecclesiastical and corporate business may be conducted at the same congregational meeting

4.09. Minutes of Congregational Meetings. The Moderator and the Clerk of Session shall attest to the minutes of the congregational meetings recorded by the Clerk of Session. After being attested, the minutes shall be recorded in the Minutes Book of the Session.

## **ARTICLE 5** **THE SESSION**

5.01. Purpose. The Church shall be governed by the Session. The Session shall act as the board of directors as that term is defined in the Act. The Session consists of elders duly elected by and from the members of the congregation, along with the congregation's installed pastors and Associate Pastors.

5.02. Election. The minimum number of Session members shall be three (3) active elders plus the Moderator. The congregation shall elect elders normally divided into three (3) classes, one class of whom shall be elected each year for a three-year term. Although the normal practice of MDPC is to elect elders for one three-year term, under special circumstances an elder may be elected for a second consecutive term. Normally, once the three-year term has expired, an elder is ineligible for re-election for at least twelve (12) months. The Session shall form such committees as necessary to carry out its work, as outlined in MDPC's Policies and Operations Manual ("P&O").

5.03. Regular and Special Meetings of the Session. The Session may provide for regular meetings by resolution stating the time and place of such meetings. The Session shall hold regular meetings at least quarterly, and shall meet for special meetings at the call of the Moderator, at the request of two or more elders, or the request of the Presbytery. Full minutes of the meetings and actions of the Session shall be maintained and shall be available to any member of the congregation or at the request of the Presbytery.

5.04. Quorum. A quorum for a Session meeting shall be the Moderator of the Session or other presiding officer and at least one-third of the elders actively on Session, except for the reception and dismissal of members, when the quorum shall be the Moderator and two members of the Session. The Session members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Session 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 Session members required to constitute a quorum. If a quorum is present at no time during a meeting, the Moderator may adjourn and reconvene the meeting one time without further notice.

5.05. Vacancies. Vacancies of the Session may be filled at a special meeting of the congregation or the annual congregational meeting, as the Session may determine. An elder elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

5.06. Action by Consent of Session Without Meeting. Any action required or permitted to be taken by the Session may be taken without a meeting, and with the same force and effect as a unanimous vote of the Session, if all members of the Session consent in writing or by email to the action. Such consent may be given individually or collectively.

5.07. Notice. Written or printed notice of any regular or special meeting of the Session shall be delivered to each Session member not less than three (3) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called. If the Session adopts a resolution that states the date(s) and time(s) for a Session meeting(s), the resolution itself is sufficient notice of the meeting(s) to Session members.

5.08. Conduct of Meetings. At every meeting of the Session, the Moderator shall preside. If it is impractical, the Moderator may ask another pastor or elder to preside, with the Session's approval. When the Clerk of Session is absent from any meeting, the Clerk Elect, the

Clerk Elect-Elect, or an elder designated by the Moderator may act as the Clerk of Session for the meeting.

5.09. Powers of the Session. In addition to the powers and authorities expressly conferred by these bylaws upon them, the Session may exercise all such powers of the Church and do all such lawful acts and things as are not directed or required to be exercised or done by the congregation members by statute, the Certificate of Formation, these bylaws, or the *ECO Constitution*.

5.10. Duties of Session Members. Session members shall 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 best interest of the Church. Ordinary care is caring that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on Session members, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Church or another person that were prepared or presented by a variety of persons, including officers and employees of the Church, professional advisors or experts such as accountants or attorneys. A Session member is not relying in good faith if the Session member has knowledge concerning a matter in question that renders reliance unwarranted.

5.11. Duty to Avoid Improper Distributions. Session members who vote for or assent to improper distributions are jointly and severally liable to the Church for the value of improperly distributed assets, to the extent that debts, obligations, and liabilities of the Church are not after that paid and discharged. Any distribution made when the Church is insolvent, other than in payment of corporate debts, or any distribution that would render the Church insolvent is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for all known debts, obligations, and liabilities, is also improper. Session members participating in a Session meeting at which the improper action was taken are presumed to have assented unless they dissent in writing. The written dissent must be filed with the Clerk of Session before adjournment or mailed to the Clerk of Session by registered mail or email immediately after adjournment.

A Session member is not liable if, in voting for or assenting to a distribution, the Session member (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Church; legal counsel, public accountants, or other persons as to matters the Session member reasonably believes are within the person's professional or expert competence; or a committee of the Session of which the Session member is not a member; (2) while acting in good faith and with ordinary care, considers the assets of the Church to be at least that of their book value; or (3) in determining whether the Church made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Session members are protected from liability if, in the exercise of

ordinary care, they acted in good faith and reliance on the written opinion of an attorney for the Church.

The Session members who are held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

5.12. Delegation of Duties. The Session members are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Church; and to sell, transfer, or otherwise dispose of the Church's assets and properties at a time and for a consideration that the advisor deems appropriate. The Session members have no liability for actions taken or omitted by the advisor if the Session acts in good faith and with ordinary care in selecting the advisor. The Session may remove or replace the advisor, with or without cause.

5.13. Actions of the Session. The Session shall try to act by consensus. However, the vote of a majority of Session members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Session unless the law or the bylaws require the act of a greater number. A Session member who is present at a meeting and abstains from a vote is considered to be present and voting to determine the decision of the Session.

5.14. Compensation. The Session members may not receive salaries for their services as a Session member. A Session member may serve the Church in any other capacity and receive compensation for those services. A Session member may be reimbursed expenses incurred by him or her to attend a Session meeting.

5.15. Removal of Session Members. The members of the congregation may vote to remove a Session member at any time, with or without good cause. A meeting to consider the removal of a Session member may be called and with notice to the members. The notice of the meeting shall state that the issue of the possible removal of the Session member will be on the agenda. A Session member may be removed by the affirmative vote of a majority of the members.

5.16. Resignation. A Session member may resign at any time by delivering notice in writing or by electronic transmission to the Session. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

## **ARTICLE 6** **OFFICERS OF THE CHURCH**

6.01. Officer Positions. The officers of the Church shall be a Moderator and a Clerk of Session.

6.02. General Duties. All officers and agents of the Church, as between themselves and the Church, shall have such authority to perform such duties and manage the Church as may be

provided in these bylaws or as may be determined by a resolution of the Session that is not inconsistent with these bylaws.

6.03. Moderator. The Senior Pastor shall ordinarily moderate all meetings of the congregation and the Session. If it is impractical, or if considering actions pertaining to the Senior Pastor, the Senior Pastor serving as Moderator may ask another pastor or elder to preside with the session's approval.

6.04. Secretary and Minutes. The Clerk of Session is elected by the congregation as provided for in the P&O. The Clerk shall ordinarily serve as Secretary for all meetings of the congregation and Session. If it is impractical, the congregation or Session shall elect a Secretary for that meeting. The Session shall review and approve the final form of the minutes.

6.05. Removal. The removal of any pastor or officer of the church is governed by the provisions of the *Constitution*.

6.06. Resignation. Any officer may resign at any time by giving written notice to the Session, the Moderator, or the Clerk of Session. Such resignation shall take effect at the time specified in the notice, and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall be without prejudice to the contract rights, if any, of the Church.

6.07. Vacancies. The members may fill the vacancy in any office for the unexpired portion of that officer's term in accordance with the Constitution and the P&O.

6.08. Moderator.

- (a) The Senior Pastor shall be the Moderator and President of the Corporation as required by the Act . The Senior Pastor shall supervise and control all of the business and affairs of the Church. The Senior Pastor shall be the Moderator at all meetings of the members and the Session. The Senior Pastor may execute any deeds, mortgages, bonds, contracts, or other instruments that the Session has authorized to be executed. However, the Senior Pastor may not execute instruments on behalf of the Church if this power is expressly delegated to another officer or agent of the Church by the Session, the bylaws, or statute. The Senior Pastor shall perform other duties prescribed by the Session and all duties incident to the office of President.

6.09. Treasurer. The Treasurer, if any, shall:

- (a) Oversee the maintenance of the financial books and records of the Church.
- (b) Present financial reports at least annually.

- (c) Perform other duties as assigned by the Executive Pastor, the Session, or the P&O.
- (d) Perform all the duties incident to the office of Treasurer.

6.10. Clerk of Session. The Clerk of Session shall:

- (a) Give all notices as provided in the bylaws or as required by law.
- (b) Take minutes of the meetings of the members and the Session and oversee the maintenance of the minutes as part of the corporate records.
- (c) Keep a register of the mailing address of each Session member, officer, and employee of the Church.
- (d) Perform duties as assigned by the Senior Pastor, the Session, or the P&O.
- (e) Perform all duties incident to the office of Secretary as defined by the Act.

6.11. Pastors' Terms of Call. The terms of call for pastors are recommended by the Personnel Committee, as described in the P&O, and approved by the Session. Terms of call information for each pastor is provided to the members of the congregation at the annual meeting, in compliance with the *Constitution*. All terms of call shall be reasonable compensation for services rendered or to be rendered to the Church.

6.12. Disallowed Payments. Any payments made to an officer of the Church such as a salary, commission, bonus, interest or rent, or expense reimbursement incurred by him, which is disallowed in whole or in part as an acceptable expense by the Internal Revenue Service, shall be reimbursed by such officer to the Church to the full extent of such disallowance. It shall be the duty of the Session to enforce payment of each such amount disallowed.

## **ARTICLE 7** **PASTORS, ELDERS, AND DEACONS**

7.01. Pastors. Pastors are to use their spiritual gifts for ministry, with a particular emphasis on the gifts of apostleship, prophecy, evangelism, shepherding, and teaching. A pastor is to nurture the spiritual health and maturity of the congregation in order that it may partner in God's redemptive work in the world. When a pastoral vacancy exists in the Church, a Pastor Nominating Committee (PNC) will be elected by the congregation to conduct a search for a suitable candidate for the positions of Pastor or Associate Pastor. The PNC will present recommended candidates to the congregation for approval at a congregational meeting. Pastoral candidates must adhere to the *Constitution*.



The following two categories of pastors do not require a PNC nomination:

- (a) Transitional Pastor: The Session may create an ad hoc committee to select an ordained pastor candidate to fill a position on an interim basis. Transitional Pastors are called by the Session and their terms of call are approved by the Session.
- (b) Assistant Pastor: Under certain circumstances, the PNC may recommend that a particular position would be best filled by an Assistant Pastor. Assistant Pastors are called by the Session and their compensation is approved by the Session.

7.02 Elders. Elders are given authority and responsibility, along with pastors, to oversee the spiritual health of the congregation as well as the congregation's faithfulness to God's mission. Elders may also be asked to preach and teach. Elders shall be elected by the congregation to serve on the Session. Further information about the ministry of elders can be found in the P&O Manual.

7.03. Deacons. Deacons lead ministries that nurture fellowship and caregiving within and beyond the congregation. Deacons are elected by members of the congregation to serve a three-year term. The congregation shall determine the manner in which deacons are selected for service. The Deacon Team meets quarterly, and meets with the Session at least annually. The Session shall oversee and direct the ministry of the deacons. Further information about the ministry of deacons can be found in the P&O Manual.

## **ARTICLE 8** **COMMITTEES**

8.01. Establishment of Committees. 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. The Session may establish qualifications for membership on a committee. The establishment of a committee or the delegation of authority to it shall not relieve the Session, or any individual Session member, of any responsibility imposed by the bylaws or otherwise imposed by law. No committee shall have the authority to:

- (a) Amend the Certificate of Formation.
- (b) Adopt a plan of merger or a plan of consolidation with another Church.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Church.
- (d) Authorize the voluntary dissolution of the Church.
- (e) Revoke proceedings for the voluntary dissolution of the Church.

- (f) Adopt a plan for the distribution of the assets of the Church.
- (g) Amend, alter, or repeal the bylaws.
- (h) Elect, appoint, or remove a member of a committee or a Session member or officer of the Church.
- (i) Approve any transaction to which the Church is a party, and that involves a potential conflict of interest, as defined in Section 9.05, below.
- (j) Take any action outside the scope of authority delegated to it by the Session.

8.02. Action by Consent of A Committee Without Meeting. Any action required or permitted to be taken by a committee may be taken without a meeting, and with the same force and effect as a unanimous vote of the committee, if all members of the committee consent in writing or by email to the action. Such consent may be given individually or collectively.

8.03. Compensation. Committee members may not receive compensation for their services.

8.04. Rules. Each committee may adopt rules for its operation not inconsistent with the bylaws or with rules adopted by the Session or the *Constitution*.

## **ARTICLE 9** **TRANSACTIONS OF THE CHURCH**

9.01. Contracts. The Session may authorize any officer or agent of the Church to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Church. 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.

9.02. Deposits. All funds of the Church shall be deposited to the credit of the Church in banks, trust companies, or other depositories that the Session selects.

9.03. Gifts. The Session may accept on behalf of the Church any contribution, gift, bequest, or devise for the general purposes or any special purpose of the Church.

9.04. Loans and Related Parties. The Church shall not make any loan to a Session member or officer of the Church.

9.05. Affiliated Transactions. No contract or transaction between the Church and one or more of its Session members or officers, or between the Church and any other Church, partnership or association or other organization in which one or more of its Session members or

officers are Board members or officers, or have a financial interest, shall be void or voidable solely for this reason, if:

- (a) The material facts concerning the financial interests are disclosed to the Session or committee, and the Session or committee authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Session members, officers, or committee members.
- (b) The contract or transaction is fair to the Church at the time of the approval. Nothing herein shall prevent retroactive approval of a transaction.
- (c) The interested Session member, officer, or committee member that is present may be counted towards a quorum for purposes of voting on the contract or transaction. The interested Session member, officer, or committee member may participate in the discussion of the matter, but may not vote.

9.06. Prohibited Acts. As long as the Church is in existence, and except with the prior approval of the Session, no Session member, officer, or committee member of the Church shall:

- (a) Do any act in violation of the bylaws or a binding obligation of the Church.
- (b) Do any act with the intention of harming the Church or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Church.
- (d) Receive an improper personal benefit from the operation of the Church.
- (e) Use the assets of this Church, directly or indirectly, for any purpose other than carrying on the business of this Church.
- (f) Wrongfully transfer or dispose of Church property, including intangible property such as goodwill.
- (g) Use the name of the Church (or any substantially similar name) or any trademark or trade name adopted by the Church, except on behalf of the Church in the ordinary course of the Church's business.
- (h) Disclose any of the Church 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**

10.01. Required Books and Records. The Church shall keep correct and complete books and records of account. The Church's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Church, including, but not limited to, the Certificate of Formation, 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 the bylaws, and any amended versions or amendments to the bylaws.
- (c) Minutes of the proceedings of the Session, and committees having any of the authority of the Session.
- (d) A list of the names and addresses of the Session members, officers, and any committee members of the Church.
- (e) A financial statement showing the assets, liabilities, and net worth of the Church at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Church for the most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Church's federal, state, and local tax status.
- (h) The Church's federal, state, and local information or income tax returns for each of the Church's three most recent tax years.

10.02. Inspection and Copying. Any Session member, officer, or member of the Church may inspect and receive copies of all books and records of the Church required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Church and if the person submits a request in writing. Any person entitled to inspect and copy the Church's books and records may do so. A person entitled to inspect the Church's books and records may do so at a reasonable time no later than required by Internal Revenue Regulation after the Church's receipt of a proper written request. The Session may establish reasonable fees for copying the Church's books and records by members. The fees may cover the cost of materials and labor, but may not exceed the Internal Revenue Service (IRS) guidelines for providing copies. The IRS requires that copies be made available to the legitimate, requesting public. The Church shall receive and respond as required by IRS guidelines to requests from the public for copies of the Church's Form 1023 and Form 990. The

Church shall maintain a file containing all documents required by the IRS to be made available to the public.

## **ARTICLE 11** **FISCAL YEAR**

The fiscal year of the Church shall begin January 1<sup>st</sup> and end December 31<sup>st</sup> each year.

## **ARTICLE 12** **INDEMNIFICATION**

### 12.01. When Indemnification is Required, Permitted, and Prohibited.

(a) The Church shall indemnify a Session member, officer, committee member, employee, or agent of the Church 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 Church. For this Article, an agent includes one who is or was serving at the request of the Church as a Session member, officer, partner, venturer, proprietor, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or another enterprise. However, the Church shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Church's best interests. In the 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.

(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 the Church under Section 12.01(a).

(c) The Church shall not indemnify a person who is found liable to the Church or is found liable to another because that person improperly received a personal benefit. A person is conclusively considered to have been found liable concerning any claim, issue, or matter if a court of competent jurisdiction has adjudged the person liable, and all appeals have been exhausted.

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

(e) In addition to the situations otherwise described above, the Church may indemnify a Session member, officer, committee member, employee, or agent of the Church to the extent permitted by law. However, the Church shall not indemnify any person in any situation in which indemnification is prohibited by the terms of Section 12.01(c), above.

(f) Before the final disposition of a proceeding, the Church may pay indemnification expenses permitted by the bylaws and authorized by the Church. However, the Church shall not pay indemnification expenses to a person before the final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Church or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(g) If the Church indemnifies 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 the Church, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

#### 12.02. Procedures Relating to Indemnification Payments.

(a) Before the Church may pay any indemnification expenses (including attorney's fees), the Church shall specifically: (1) determine that indemnification is permissible, (2) authorize indemnification, and (3) determine that expenses to be reimbursed are reasonable, except as provided in Section 12.02(c), below. The Church may make these determinations and decisions by anyone of the following procedures:

(i) Majority vote of a quorum consisting of members 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, consisting solely of two or more Session members 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 vote as provided in Section 12.02(a)(i) or 12.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Session members.

(b) How the Church determines whether indemnification is permissible shall be the same manner in which the Church authorizes indemnification and determines that expenses to be reimbursed are reasonable. However, if the determination that indemnification is permissible is made by special legal counsel under Section 12.02(a)(iii), above, then the authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by either Section 12.02(a)(i) or Section 12.02(a)(ii), above.

(c) A provision contained in the Certificate of Formation, the bylaws, or a resolution of members or of 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.

(d) The Church shall pay indemnification expenses before the final disposition of a proceeding only after the Church determines that the facts then known would not preclude indemnification, and the Church 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 12.02(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 the repayment of the amount paid or reimbursed by the Church if it is ultimately determined that the person has not met the requirements for indemnification. The written 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 13** **NOTICES**

13.01. Notices. Any notice required or permitted by the bylaws to be given to a Session member, officer, member, or committee member of the Church may be given in any manner allowed by the Act. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Church, with postage prepaid and in a sealed wrapper. If notice is served by facsimile or email, the person giving notice shall retain records sufficient to prove actual delivery to the appropriate number or email address. A person may designate his or her preferred notice method and shall provide all necessary information regarding the same by giving written notice to the Clerk of Session.

13.02. Notice of Congregational Meetings. Public notice of the meetings shall be given in printed and verbal form on at least two successive Sundays before the meeting, which can take place following worship on the second Sunday. When the meeting is called to elect a Pastor, the notice shall be given in printed and verbal form at least ten days in advance, which shall include two successive Sundays.

13.03. Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of the Act or the provisions of the Certificate of Formation or the bylaws, a waiver in writing signed by a person entitled to receive notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

13.04. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a 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 is not lawfully called or convened.

### **ARTICLE 14** **SPECIAL PROCEDURES CONCERNING MEETINGS**

14.01. Meeting by Electronic Means. The Session and any committee of the Church may hold a meeting by telephone conference call or other electronic means in which all persons participating in the meeting can hear each other. The notice of a meeting by electronic means conference must state the fact that the meeting will be held by electronic means as well as all other matters required to be included in the notice. Participation of a person in a conference call meeting constitutes the presence of that person at the meeting.

14.02. Voting by Proxy. No member, Session member, or committee member may vote by proxy.

## **ARTICLE 15** **AMENDMENTS TO BYLAWS**

The members of the congregation may alter, amend, repeal, or enact new bylaws. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall 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**

16.01. Legal Authorities Governing Construction of Bylaws. The bylaws shall be construed following the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

16.02. Legal Construction. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision, and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

16.03. Headings. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

16.04. Seal. The Session may provide for a corporate seal.

16.05. Power of Attorney. A person may execute any instrument related to the Church utilizing a power of attorney if an original executed copy of a power of attorney is provided to the Clerk of Session to be kept with the Church records.

16.06. Parties Bound. The bylaws shall be binding upon and inure to the benefit of the members, Session members, officers, committee members, employees, and agents of the Church



and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.

16.07. Electronic Signatures. To the fullest extent permitted by the Act and other laws, including the Texas Uniform Electronic Transactions Act, electronic signatures (such as email) of Session members, officers, committee members, and any member, as between each other or each of them and the Church, shall constitute the valid signature of the person for purposes of obtaining consents or other matters prescribed by these bylaws, unless the individual submits a prior written refusal to conduct any or certain transactions by electronic means.

**ARTICLE 17**  
**EMERGENCY POWERS AND BYLAWS**

An “emergency” exists for the purposes of this section if a quorum of the Session cannot readily be obtained because of some catastrophic event. In the event of an emergency, the Session may: (i) modify lines of succession to accommodate the incapacity of any Session member, officer, or committee member; and (ii) relocate the principal office, designate alternative principal offices or regional office, or authorize officers to do so. During an emergency, notice of a meeting of the Session only needs to be given to Session members for whom it is practicable. Action taken in good faith during an emergency binds the Church and may not be the basis for imposing liability on any Session member, officer, or committee member of the Church on the ground that the action was not authorized. The Session may also adopt emergency bylaws, which may include provisions necessary for managing the Church during an emergency including: (i) procedures for calling a meeting of the Session; (ii) quorum requirements for the meeting; and (iii) designation of additional or substitute Session members. The emergency bylaws shall remain in effect during the emergency and shall be revoked after the Session has deemed that the emergency has ended.

**CERTIFICATE OF CLERK OF SESSION**

I hereby certify that I am duly elected and acting Clerk of Session of MEMORIAL DRIVE PRESBYTERIAN CHURCH (the “Church”) and that the foregoing bylaws, comprised of \_\_\_\_\_ (\_\_\_) pages, constitute the bylaws of said Church as duly adopted by the Church at a meeting of the congregation held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Clerk of Session of the Church