

By-Laws

St. Peter's by-the-Sea Episcopal Church **Narragansett, Rhode Island**

ARTICLE I

TITLE

This corporation shall be known as St. Peter's by-the-Sea (the "Parish"). The Parish is incorporated pursuant to An Act for the Incorporation of Parishes as adopted April 10, 1883 and as subsequently amended as a non-profit religious corporation. The Parish was also incorporated by the State of Rhode Island on February 18, 1869, as St. Peter's Chapel and later as St. Peter's by-the Sea.

ARTICLE II

MEMBER OF THE DIOCESE OF RHODE ISLAND

This Parish is a constituent member of The Diocese of Rhode Island (the "Diocese"), and is organized for the worship of God in accordance with the doctrine, discipline, worship and liturgy of The Episcopal Church (the "Church"). This Parish recognizes that it is subject to the laws and the ecclesiastical authority of the Church and the Diocese and shall forever be in exact conformity therewith.

ARTICLE III

THE PARISH

Section 1. Membership. The members of the Parish shall be all persons who have received the Sacrament of Holy Baptism with water in the name of the Father and of the Son and the Holy Spirit, and whose baptism has been recorded in the Parish register. All persons confirmed or received into The Episcopal Church whose confirmation or reception is duly recorded in the Parish register are also members of the Parish.

The voting members of the Parish shall be all adult communicants sixteen (16) years and over who are in good standing whose name shall be registered on the Parish register three (3) months preceding a meeting. A communicant in good standing shall be any communicant who for the previous year has been faithful in corporate worship, unless for good cause prevented, and who

has been faithful in working, praying and giving for the spread of the Kingdom of God. Each member shall be limited to one (1) vote. Voting by proxy or absentee ballot is prohibited.”

Section 2. Place of Meetings. The annual meeting and all special meetings of the members shall be held within the State of Rhode Island, at such place, time and date as shall be stated in the notice of meeting.

Section 3. Annual Meetings. An annual meeting shall be held not later than the First Monday in February of each year at a time and place to be determined by the vestry. At each annual meeting, the members will elect a vestry and the officers of the Parish and will transact other business as may properly come before the meeting. Any and all business which might have been transacted at a scheduled annual meeting may be transacted at the next succeeding meeting, whether special or annual.

Upon the written request of any fifteen (15) members who are qualified to vote made at least ten (10) days prior to an annual meeting the Rector, Minister in charge, or a Warden shall, within five (5) days after receipt of such request, post in a conspicuous place on the Parish premises a certified list of the qualified electors. If requested, said list shall be retained with the election records kept by the Clerk [Secretary].

In the event of the failure to hold a scheduled annual meeting at any time or for any cause, any and all business which might have been transacted at that annual meeting may be transacted at a subsequent meeting to be held not more than ninety (90) days later.

The minutes of the annual meeting shall be reviewed by the vestry, published and posted within seven (7) days of the meeting.

Section 4. Special Meetings. A special meeting of the members of the Parish, for any purpose or purposes, may be called by the Rector, by the Wardens, or by the Vestry and shall be noticed by the Clerk [Secretary] upon the written request of a majority of the vestry or thirty (30) percent of voting members of the Parish. In the event of the Clerk’s [Secretary’s] absence, disability or failure to act, the meeting shall be noticed by such other officer or person as the vestry may name. Any such notice shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Meetings. Written notice of each annual or special meeting stating the place, day and hour of the meeting (and the purpose or purposes of any special meeting) will be given by or at the direction of the Rector, the Clerk [Secretary] or the person or persons calling the meeting to each member entitled to vote at such meeting not less than twenty (20) days nor more than twenty-five (25) days before the meeting. Business transacted at any special meeting of members will be limited to the purposes stated in the notice of the meeting. Results of meetings shall be posted in a conspicuous place on the Parish premises within seven (7) days of the meeting.

Section 6. Quorum. Thirty (30) voting members will constitute a quorum at all meetings of the members. If, however, such quorum will not be present or represented at any such meeting, the members entitled to vote thereat will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum will be present or represented. At such adjourned meeting at which a quorum will be present or represented, any business may be transacted which might have been transacted at the meeting as originally called. If adjournment is for more than thirty (30) days, a notice of the adjourned meeting will be given to each voting member at the meeting. When a quorum is present at any meeting, the vote of the holders of a majority of the votes entitled to be cast will decide any question brought before such meeting, unless the vote of a greater number is required by law.

Section 7. Delegates to Convention. At each annual meeting, the members shall elect delegates and alternates to the Convention of the Diocese in accordance with the Canons of the Diocese. Delegates and alternates shall remain in office until their successors are elected. Any vacancy occurring in a delegation between annual meetings may be filled by election by the Vestry. Each delegate and alternate shall be a member of the Parish.

Section 8. Results of Elections. Results of elections for Wardens, members of the vestry, Delegates of the Convention, their Alternates, the Treasurer, and Clerk [Secretary] shall be forwarded to the Bishop within fifteen (15) days of the election.

ARTICLE IV

VESTRY

Section 1. Powers. The vestry shall be the Board of Directors of the Parish and shall manage the temporal activities and affairs of the Parish, subject to the laws of Rhode Island, the Articles of Incorporation, and the bylaws of the Parish. The vestry may delegate its management of temporal corporate activity so long as the Parish's activities, affairs and power's remain under the ultimate direction of the vestry.

Section 2. Number. The number of members of the vestry shall be a minimum of ten (10) to a maximum of fifteen (15), as determined by the vestry and which number will include the Rector, Wardens, Clerk [Secretary], and Treasurer.

Section 3. Election and Term. All members of the vestry shall be baptized persons all of whom shall be communicants in good standing and registered in the Parish. Relatives of a current vestry member are not eligible to serve on the vestry. Persons employed by the Parish and relatives of Parish employees are not eligible to serve on the vestry. Clergy family members are not eligible to serve on the vestry.

A maximum of one-third (1/3) of the vestry will be elected at each annual meeting of the members for a term of three (3) years to serve until the next annual meeting of the members and

thereafter until his or her successor will have been elected and will have qualified (unless there will be no successor as a result of a decrease in the number of the Board of Directors). A member of the vestry may serve two (2) successive terms, but then one (1) year must pass before he or she is again eligible to serve. Except for the Rector, any or all of the members of the vestry may be removed with or without cause by majority vote of the members.

Vestry Nominating Committee. No later than October 1 of each year the vestry shall name a nominating committee of at least four (4) voting members of the Parish whose function shall be to solicit and recommend to the next annual meeting members of the Parish to serve as officers and to fill openings on the vestry that will be open at the subsequent annual meeting. The Nominating Committee shall elect its own chairman.

Section 4. Meetings. The regular vestry meetings will occur no less than nine (9) times each year, and the vestry may hold meetings, both regular and special, either within or without the State of Rhode Island. Regular vestry meetings may be held without notice at such time and at such place as will from time to time be determined by the vestry. No action shall be taken at a meeting of the vestry without the Rector and at least one (1) Warden present, or in the absence of a rector, at least one (1) Warden must be present. Special meeting of the vestry may be called by the Rector on two (2) days' notice to each vestry member, either personally, or by USPS mail, or by electronic mail. Special meetings will be called by the Rector or Clerk [Secretary] in like manner and on like notice on the written request of the majority of the vestry. Meetings of the vestry may be held by means of a telephone conference circuit and connection to such circuit will constitute presence at such meeting. Any member who fails to attend four (4) meetings in a year will be subject to removal by a majority vote of the vestry.

Section 5. Vacancies. Any vacancy occurring on the vestry may be filled by the affirmative vote of a majority of the remaining members of the vestry. A member elected to fill a vacancy will be elected for the unexpired term of his or her predecessor in office. The time served on the vestry by a member elected to fill a vacancy shall not count toward the number of terms that member may serve as specified in Article IV, Section 3.

Section 6. Quorum. At all meetings of the vestry, a simple majority of the voting members of the vestry will constitute a quorum for the transaction of business, and the act of a majority of the voting members present at a meeting at which a quorum is present will be the act of the vestry, unless a greater number is required by Rhode Island law.

Section 7. Consent Vote. Any action required or permitted to be taken at a meeting of the vestry may be taken without a meeting if a letter of consent, setting forth the action so taken, will be signed by all members of the vestry.

ARTICLE V

MINISTERS

Section 1. Vacancies. When the position of Rector becomes vacant in the Parish, the Wardens shall promptly notify and consult with the Bishop of the Diocese with respect to the appointment of an interim minister for the maintenance of divine services and the pastoral care of the congregation. The vestry shall also consult with the Bishop with respect to the procedure to be followed in the selection and call of a new Rector.

Section 2. Election of the Rector. The election of a Rector shall require the approval of the Bishop and the affirmative vote of three-fourths (3/4) of the lay members of the vestry. No commitment shall be made by the vestry to anyone under consideration as a prospective Rector, nor shall any formal call be issued, until the name of the cleric under consideration as Rector has been made known to the Bishop for his judgment. If the Bishop has not responded within thirty (30) days, or such additional time as has been agreed upon, from the date of notice to the Bishop, the vestry may proceed with the commitment and call. In case the Bishop objects to the choice of the vestry, a second meeting of the vestry shall be held and the person first proposed can be elected only upon an affirmative vote of three-fourths (3/4) of the lay members of the vestry. If the requisite three-fourths (3/4) is not obtained, the same procedure shall be repeated for the election of another candidate.

Section 3. Selection of Assistant Minister. In the selection of an assistant minister, the Rector shall consult with the Bishop and the Rector and the Bishop shall agree upon a list containing names of qualified persons. The Rector shall then nominate to the vestry, from the list, the name of the person chosen by the Rector to serve as an assistant. The appointment of any assistant minister shall require an affirmative vote of a majority of the entire vestry. The terms of employment of an assistant shall, subject to these by-laws and Canons of the Diocese, be determined by the vestry and incorporated in a written agreement which shall be signed and sent to the Bishop within ten (10) days of the election. The Bishop's satisfaction with the appointment shall be recorded by the Secretary of the Diocese.

Any assistant minister shall serve at the pleasure of the Rector, subject to the rights, if any, of such assistant under any agreement of employment.

Section 4. Non-stipendiary Assistants. The Rector, with prior written notice to the Bishop, may appoint one or more non-stipendiary assistants from among clergy canonically resident in the Diocese, or who are in good standing and who are currently licensed to officiate in the Diocese. Any non-stipendiary assistant shall serve at the pleasure of the Rector.

ARTICLE VI

OFFICERS

Section 1. Number. The officers of the Parish shall consist of a Rector, a Senior Warden, a Junior Warden, a Clerk [Secretary], and a Treasurer who shall be members of the vestry. The vestry may from time to time elect or appoint one or more assistants, as it may deem necessary, but such persons will not be voting members of the vestry.

Section 2. Election and Term. Except for the Rector, the officers of the Parish shall be elected by the members at their annual meeting. Each officer shall be elected for a term of one year to serve until the next annual meeting of members and thereafter until his or her successor will have been elected and will have qualified. The maximum number of consecutive terms for Senior Warden and Junior Warden shall be three (3). Any officer may be removed from the officer's position by majority vote of the vestry whenever in its judgment the best interests of the Parish shall be served thereby.

Section 3. Rector. The Rector shall be the president and principal executive officer of the Parish and, subject to the direction and under the supervision of the vestry, shall have general charge of the business, affairs and property of the Parish. The Rector, subject to the Rubrics of the Book of Common Prayer, the Constitution and Canons of the Church and of the Diocese, and to the godly counsel of the Bishop, shall have control of the worship and spiritual jurisdiction of the Parish, and shall discharge the duties set forth in the Canons of the Church and of the Diocese. For the purposes of his or her office, and for the discharge of all functions and duties thereof, the Rector shall, at all times, have access, use and control of the Parish Church and buildings. The Rector, ex officio, shall preside at and have the right to vote at any Parish or vestry meeting. No action shall be taken at a vestry meeting in the absence of the Rector or a Warden.

Section 4. Senior Warden. The Senior Warden shall be the senior lay officer of the Parish. The Senior Warden shall be a communicant in good standing and a member of the vestry. He or she shall be advisor to the Rector. In the absence of the Rector, the Senior Warden shall perform the administrative duties of the office as set forth in the Canons of the Church and such other duties as may be assigned by the vestry.

Section 5. Junior Warden. The Junior Warden shall assist the Senior Warden and the Rector in the affairs of the Parish. The Junior Warden shall be a communicant in good standing and a member of the vestry. In the absence of both the Rector and the Senior Warden, the Junior Warden shall assume the administrative authority of the Parish and perform the duties of the office as set forth in the Canons of the Church and such other duties as may be assigned by the vestry.

Section 6. Clerk [Secretary]. The Clerk [Secretary] shall act as Secretary of all meetings of the Parish and of the vestry. He or she shall, in general, perform the duties usually pertaining to the office of Secretary and such other duties as may be required from time to time by the vestry.

Section 7. Treasurer. The Treasurer shall have the care and custody of the funds of the Parish, subject to the control of vestry. The Treasurer shall be bonded in an amount and by a surety approved by the vestry. The Treasurer shall keep the books of account. He or she shall, in general, perform the duties usually pertaining to the office of Treasurer and such other duties as may be required from time to time by the vestry.

Section 8. Vacancies. A vacancy in any office by reason of death, resignation, removal or otherwise may be filled by a majority vote of the vestry for the unexpired portion of the term.

ARTICLE VII

COMMISSIONS AND COMMITTEES

Section 1. Executive Committee

Section 1.1 Members. The rector and lay officers (cf. Article 6, Section 1) of the vestry shall constitute the executive committee.

Section 1.2 Function. The executive committee shall function as a steering committee for the vestry and, as such, shall give attention to all matters within the scope of vestry action, either on its own initiative or upon the request of individual members of the Parish.

Section 1.3 Meetings. The executive committee shall meet no less than four (4) times a year and may hold meetings, both regular and special, either within or without the State of Rhode Island. No action shall be taken at a meeting of the executive committee unless either the Rector or a Warden is present. Special meetings of the executive committee may be called by the Rector or a Warden on two (2) days notice to each member, either personally or by telephone, e-mail or mail.

Section 1.4 Quorum. Three (3) members of the executive committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present shall be the action of the executive committee.

Section 1.5 Urgent Matters. The executive committee shall have the power to act for the vestry on such matters as urgently require attention but where time does not permit either calling a meeting of the vestry at which a quorum will be present or the taking of a consent vote. When such action is taken, the vestry shall be notified within two (2) days of the action and it shall be placed on the agenda of the next regular meeting of the vestry for purposes of discussion and clarification.

Section 2. Other Commissions and Committees

There may be such commissions and committees of the members of the Parish as the vestry shall organize and supervise. The commissions and committees shall perform such duties as may be required of them by the vestry.

ARTICLE VIII

BUSINESS METHODS

Section 1. Transfer or Encumbrance. The Parish shall not transfer or encumber real property or any part thereof without first obtaining the written consent of the Bishop and the Standing Committee of the Diocese.

Section 2. Indebtedness. The Parish shall not become liable in respect of any indebtedness without first obtaining the written consent of the Bishop and the Standing Committee of the Diocese, except for unsecured current liabilities incurred in the ordinary course which in the aggregate do not exceed ten percent of the average annual receipts of the Parish during the three preceding calendar years.

Section 3. Trust. All real and personal property held by or for the benefit of the Parish is held in trust for the Church and the Diocese.

Section 4. Endowment Funds. The endowment funds of the Parish shall be deposited with a national or state bank, the Diocesan Investment Trust, or other agency approved by the Commission on Finance of the Diocese, and shall be held under agreements providing for at least two signatures for the withdrawal of funds. The Parish shall maintain records of all trust and permanent funds showing the source, date and terms governing the use of principal and income.

Section 5. Accounts. The Parish shall maintain books of account in order to provide the basis for satisfactory accounting. The Parish shall prepare annual reports in the form prescribed by the general convention for each preceding year ending December 31. The reports shall be sent to the Bishop in duplicate no later than February 1.

Section 6. Register. The Parish shall maintain a Parish register, kept by the Clerk [Secretary] or a Warden. The Register shall record all activity of the Parish and contain (a) a record of all baptisms, confirmations, receptions, marriages, and burials solemnized in the Parish or mission which shall include (i) a list of persons confirmed in the Parish (ii) the names and dates of birth of the persons baptized together with the names of parents and sponsors or witnesses; and (iii) the names of persons married or buried, and the date of every such rite performed; and (b) the names of all communicants with the date of their reception, death, or removal. This book shall be preserved as part of the records of the Parish or mission. This register shall be available at all times to the Bishop for his examination at each visitation and at all reasonable times be available

for examination by the members of the Vestry, the Bishop or any person designated by the Bishop.

Section 7. Audits. All accounts of the Parish shall be audited annually by a certified public accountant or by such audit committee as shall be approved by the Commission on Finance of the Diocese.

Section 8. Insurance. The Parish shall maintain adequate insurance coverage to include, as a minimum, property and liability coverage.

ARTICLE IX

NOTICES

Section 1. How Delivered. Whenever under the provisions of the Rhode Island nonprofit corporation act or of the articles of incorporation or of these bylaws written notice is required to be given to any person, such notice may be given by USPS mail, addressed to such person at his or her address as it appears in the records of the Corporation, with postage thereon prepaid, and such notice will be deemed to be delivered if mailed, at the time when the same is deposited in the United States Postal Service in the State of Rhode Island. Notice may also be given by electronic mail and/or personally to any member of the vestry.

Section 2. Waivers of Notice. Whenever any notice is required to be given under the provisions of the Rhode Island Non-Profit Corporation Act or the articles of incorporation or these bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, will be deemed equivalent to the giving of such notice as described above (Article IX Section 1). Attendance of a person at a meeting will constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE X

SEAL

The corporate seal will have inscribed upon it the name of the Parish and such other appropriate language as may be prescribed by the Secretary of State of Rhode Island.

ARTICLE XI

FISCAL YEAR

The fiscal year of the Parish shall be the calendar year.

ARTICLE XII

CONFLICTS OF INTEREST

If any member of the vestry, officer or employee of the Parish shall be interested either directly or indirectly, or shall be a director, officer or employee of or have an ownership interest (other than as the owner of less than one (1) percent of the shares of a publicly-held corporation) in any firm or corporation interested directly or indirectly in any contract with the Parish, such interest will be disclosed to the Parish and set forth in the minutes of the Parish, and the member of the vestry, officer or employee having such interest therein will not participate on behalf of the Parish in the authorization of any such contract.

ARTICLE XIII

INDEMNIFICATION

Section 1. Agreement of Parish. In order to induce the directors and officers of the Parish to serve as such, the Parish adopts this by-law and agrees to provide the directors and officers of the Parish with the benefits contemplated hereby.

Section 2. Persons Entitled to Benefits. This paragraph will apply, and the benefits here of will be available, to each director and officer of the Parish who serves the Parish as such without the need for other proof that the director or officer has accepted the provisions of this Article.

Section 3. Definitions. As used herein, the following terms will have the following respective meanings:

“Covered Act” means any act of commission or omission by the Indemnified Person in the Indemnified Person's official capacity with the Parish and while serving as such or while serving at the request of the Parish as a member of the governing body, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

“Director” means a member of the vestry of the Parish.

“Excluded Claim” has the meaning set forth in Section 6, hereof.

“Expenses” means any reasonable expenses incurred by the Indemnified Person in connection with the defense of any claim made against the Indemnified Person for Covered Acts including, without being limited to, legal, accounting or investigative fees and expenses (including the expense of bonds necessary to pursue an appeal of an adverse judgment).

"Indemnified Person" means any member of the vestry or officer of the Parish who serves the Parish as directors or officer.

"Loss" means any amount which the Indemnified Person is legally obligated to pay as a result of any claim made against the Indemnified Person for Covered Acts including, without being limited to, judgments for, and awards of, damages, amounts paid in settlement of any claim, any fine or penalty or, with respect to an employee benefit plan, any excise tax or penalty.

"Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

Section 4. Indemnification. Subject to the exclusions hereinafter set forth, the Parish will indemnify the Indemnified Person against and hold the Indemnified Person harmless from any Loss or Expenses.

Section 5. Advance Payment of Expenses. The Parish will pay the Expense of the Indemnified Person as such time and from time to time as the Indemnified Person may request in advance of the final disposition of any Proceeding except to the extent that the defense of a claim against the Indemnified Person is undertaken pursuant to any directors’ and officers’ liability insurance (or equivalent insurance known by another term) maintained by the Parish. The advance payment of Expenses will be subject to the Indemnified Person's agreement with the Parish (evidenced by the Indemnified Person's acceptance of an advance payment or, if requested, a prior agreement in writing) to repay the sums paid by it hereunder if it is thereafter determined that the Proceeding involved an Excluded Claim or that the Indemnified Person was not entitled to indemnity by reason of the provisions of Section 9.

Section 6. Exclusions. The Parish will not be liable to pay any Loss or Expenses (an "Excluded Claim"); not withstanding anything to the contrary listed above:

- (a) With respect to a Proceeding in which a final nonappealable judgment or adjudication by a court of competent jurisdiction determines that the Indemnified Person is liable to the Parish (as distinguished from being liable to a third party) for:
 - i. any breach of the Indemnified Person’s duty of loyalty to the Parish or its members;
 - ii. acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law; or
 - iii. any transaction from which the Indemnified Person derived an improper personal benefit; or

- (b) If a final, nonappealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 7. Notice to Parish. Insurance. Promptly after receipt by the Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnified Person will, if indemnification with respect thereto may be sought from the Parish under these Canons, notify the Parish of the commencement thereof. The indemnified person shall also give immediate notice to any insurer of that person providing liability insurance to that person with respect to any threatened or actual claim so that person's individual liability insurer can determine if coverage exists. Failure to promptly notify the Parish will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that the Parish is materially prejudiced in its ability to defend against the Proceeding by reason of such failure. If, at the time of the receipt of such notice, the Parish has any directors' and officers' liability insurance in effect, the Parish will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of the Indemnified Person. The Parish will thereafter take all the necessary or desirable action to cause such insurer to pay, on behalf of the Indemnified Person, all Loss and Expenses payable as a result of such Proceeding in accordance with the terms of such policies.

Section 8. Indemnification Procedures. (a) Payments on account of the Parish's indemnity against Loss will be made by the Treasurer of the Parish except if, in the specific case, a determination is made that the indemnification of the Indemnified Person is not proper in the circumstances because such Loss results from a claim which is an Excluded Claim. If the Parish so determines that the Loss results from an Excluded Claim (although no such determination is required by the Parish hereunder prior to payment of a Loss by the Treasurer), the determination shall be made:

- i. By the vestry by a majority vote of a quorum consisting of members not at the time parties to the Proceeding; or
- ii. If a quorum cannot be obtained for purposes of clause (i) of this subparagraph (a), then by a majority vote of a committee of the vestry duly designated to act in the matter by a majority vote of the full vestry (in which designation members who are parties to the Proceeding may participate) consisting solely of three or more directors not at the time parties to the Proceeding; or
- iii. By independent legal counsel designated:
 - (A) by the vestry in the manner described in clause (i) of this subparagraph (a), or by a committee of the vestry established in the manner described in clause (ii) of this subparagraph (a), or
 - (B) if the requisite quorum of the full Council cannot be obtained therefore and a committee cannot be so established, by a majority vote of the full vestry (in which designation members who are parties to the Proceeding may participate). If made, any such determination permitted to be made by this subparagraph (a) will be made within 60 days of the Indemnified Person's written request for payment of a Loss.

- (b) Payment of an Indemnified Person's Expenses in advance of the final disposition of any Proceeding will be made by the Treasurer of the vestry except if, in the specified case, a determination is made pursuant to Section 8(a) above that indemnification of the Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.
- (c) The Parish will have the power to purchase and maintain insurance on behalf of any Indemnified Person against liability asserted against him or her with respect to any Covered Act, whether or not the Diocese would have the power to indemnify such Indemnified Person against such liability under the provisions of this paragraph. The Parish will be subrogated to the rights of such Indemnified Person to the extent that the Parish has made any payments to such Indemnified Person in respect to any Loss or Expense as provided herein.

Section 9. Settlement. The Parish will have no obligation to indemnify the Indemnified person under this paragraph for any amounts paid in settlement of any Proceeding affected without the Parish's prior written consent. The Parish will not unreasonably withhold or delay its consent to any proposed settlement. If the Parish so consents to the settlement of any Proceeding, or unreasonably withholds or delays such consent, it will be conclusively and irrebuttably presumed for all purposes that the Loss or Expense does not constitute an Excluded Claim. If the Parish reasonably withholds its consent solely on the ground that the Proceeding constitutes an Excluded Claim, the Indemnified Person may accept the settlement without the consent of the Parish, without prejudice to the Indemnified Person's rights to indemnification in the event the Diocese does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 10. Rights Not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the Indemnified Person may be entitled under any agreement (insurance liability policy or otherwise), vote of disinterested trustees or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while holding such office, and will continue after the Indemnified Person ceases to serve the Diocese as an Indemnified Person.

Section 11. Enforcement. (a) The Indemnified Person's right to indemnification hereunder will be enforceable by the Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 8 hereof.

(b) In the event that any action is instituted by the Indemnified Person under the Canons, the Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by the Indemnified Person as a basis for such action was not made in good faith or was frivolous, or was without legal merit as a matter of law.

Section 12. Severability. If any provision of this Article is determined by a court to require the Parish to perform or to fail to perform an act which is in violation of applicable law, this Article shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, this Article shall be enforceable in accordance with its terms.

Section 13. Successor and Assigns. The provisions of this Article will be (a) binding upon all successors and assigns of the Parish (including any transferee of all or substantially all of its assets) and (b) binding on and inure to the benefit of the heirs, executors, administrators, and other personal representatives of the Indemnified Person.

Section 14. Amendment. No amendment or termination of this Canon will be effective as to an Indemnified Person without the prior written consent of that Indemnified Person and, in any event, will not be effective as to any Covered Act of the Indemnified Person occurring prior to the amendment or termination.

ARTICLE XIV

Merger and Dissolution

Section 1. Dissolution or Merger. The Parish shall provide a written reason and plan for the proposed dissolution or merger to the Bishop and the Standing Committee. The Parish shall obtain the prior written consent of the Bishop and the Standing Committee for the dissolution or merger of the Parish.

ARTICLE XV

Amendments to the Bylaws

Section 1. Amendments. The Parish shall obtain the written approval of the Bishop and the Standing Committee for any amendment to the bylaws. The Parish shall provide to the Bishop and the Standing Committee a written statement of any proposed amendment.

The Parish by-laws may be amended by a majority of the voting members present at an annual or special meeting of the Parish. No proposed amendment shall be considered or affirmatively acted upon by any meeting unless copies of the proposed amendments are distributed to members at least twenty (20) days prior to the annual or special meeting.