

I. The Alleged Admissions

As usual, Plaintiffs' Response does not begin with deeds or church charters, but with the absurd claim that Defendants have admitted they have no case. Given Defendants' extensive briefs and evidence to the contrary, the Court will not be surprised to learn that Plaintiffs rely on artful editing of a few deposition snippets.

Plaintiffs' All Saints is the only continuing parish. The record citations for this claim merely state that the All Saints parish split in two, with both groups using All Saints' name.² In one deposition, Plaintiffs' counsel themselves referred to "Defendant All Saints" by name almost 70 times.³ If referring to one of the competing congregations as "All Saints" is an admission that it is entitled to the property, then Messrs. Hill and Tobey have also admitted Plaintiffs have no case.

All Saints properly stayed with TEC. Members of a voluntary association are free to join or leave as they wish.⁴ Defendants concede that Plaintiffs' All Saints stayed with TEC,⁵ and Plaintiffs concede that Defendants' All Saints stayed with Bishop Iker and the Diocese.⁶ These concessions state the obvious, not the answer. The answer is in the Diocese's charters: the parish in union with the Diocese is entitled to the sanctuary and rectory. Admitting that a majority of the vestry stayed with TEC is no admission that the property did too. The Court must divide the church property based on what the church charters say.⁷

² See JA02699 (Brackett depo at 34:25-25:3) (stating there were "two splits ... the split involving the diocese and the national Episcopal Church and then there would be the split within All Saints' Episcopal Church."); JA02712 (*id.* at 86:7-14).

³ See JA02690-JA02721.

⁴ See, e.g., *Boy Scouts of Am. v. Dale*, 530 U.S. 640, 648 (2000) ("Freedom of association . . . plainly presupposes a freedom not to associate.").

⁵ See JA04320.

⁶ See JA02699 (Brackett depo at 35:4-13, 36:4-8); JA02703 (*id.* at 52:12-19).

⁷ See *Jones v. Wolf*, 443 U.S. 595, 606 (1979).

Defendants' All Saints is a new entity. This is simply not true. The only “new entity” Defendants admitted forming was a joint committee between two independent parishes, one of which was Defendants’ All Saints.⁸ The latter is not a new entity; it has simply been forced to meet in new circumstances.⁹

Defendants' waiver shows they are not All Saints. As no good deed should go unpunished, Plaintiffs treat Defendants’ waiver of four “properties deeded to All Saints” is an admission that Defendants are not “All Saints.”¹⁰ The quoted heading comes from Defendants’ Third Motion, the entirety of which seeks beneficial title to the All Saints sanctuary and rectory.¹¹ Read in context, the heading cannot be an admission that Defendants have no claim.

These alleged “admissions” are not the deliberate, clear, and unequivocal statements needed to establish judicial admissions.¹² They do not even say what Plaintiffs claim they do. Apparently Plaintiffs believe no one will ever read the record or briefs to verify them. The Court should disabuse them of that notion.

II. No Deeds Impose a Trust for Plaintiffs

In their Response, Plaintiffs rewrite the language of the 1947 deed to the sanctuary, claiming it imposed a trust for TEC “within the territorial limits of what [was then] known as the [Episcopal] Diocese of Dallas,” or “in this geographic area.”¹³ That is not what the deed says. It imposes a trust for an entity within the

⁸ See JA02699 (Brackett depo at 36:18-37:3) (“We essentially brought our rector and he became the rector of Christ the King in addition to the rector of All Saints”).

⁹ See JA02708 (Brackett depo at 70:6-13: “When are vestry members elected by defendant All Saints? A. At the annual parish meeting in January of each year. Q. How many annual parish meetings has defendant All Saints’ had? A. I know we have had one every year beginning in 2010.”); see also Defs. Resp-ASEC 4th supp. Iker affid. ¶¶ 4-5 & Ex. 12.

¹⁰ See TEC Resp-ASEC at 9.

¹¹ See Defs. 3d MSJ at 6.

¹² See *Hennigan v. I.P. Petroleum Co., Inc.*, 858 S.W.2d 371, 372 (Tex. 1993).

¹³ See TEC Resp-ASEC at 4, 6.

territorial limits of the Dallas Diocese.¹⁴ That cannot be TEC itself, as it does not operate within those territorial limits.¹⁵ And All Saints hasn't been in the Dallas Diocese for 30 years. This highlights the obstacle Plaintiffs face: they claim the transfers in 1982 and 1984 did not change the trust in the sanctuary deed, but concede they need this Court to amend it now — 30 years later.

The trust language in the 1947 deed expressly gave the Bishop of the Dallas Diocese authority to transfer or dispose of all the sanctuary property, including legal *and* equitable title, in any manner he thought best:

This Conveyance, however, is in trust for the use and benefit of the Protestant Episcopal Church, within the territorial limits of what is now known as the said Diocese of Dallas, in the State of Texas, and for this purpose the said CHARLES AVERY MASON, as aforesaid, and his successors in office, shall hold, use, improve, manage and control the above described property in such manner as to him or them, may seem best for the interest of said Church within said Diocese. And the said CHARLES AVERY MASON, as aforesaid, and his successors in office, shall have and by these presents do have, the right, power, and authority, whenever it to him or them seem best for the interest of said Church within said Diocese so to do, to lease, mortgage, sell and otherwise encumber or dispose of the aforesaid premises, upon such terms, for such prices and in such manner as to him or them may seem best. And for this purpose he or they may make, execute and deliver all such leases, mortgages, deeds of trust, deeds and other written instruments, as the circumstances of the case may render necessary and expedient. . . .

The Dallas Bishop obviously decided it was best for the interest of the church to transfer all his authority regarding the property to the Fort Worth Diocese and Corporation in 1982 and 1984, and they exercised that transferred authority in part by repudiating any trust for TEC in 1982 and 1989.

Plaintiffs complain that the trust in the sanctuary deed cannot accrue to Defendants as “they are adverse to the Protestant Episcopal Church in this

¹⁴ See JA02524 (duplicate of JA01104).

¹⁵ See Defs. 2d Resp. at 17-21; Defs. 2d Reply at 27-31.

region.”¹⁶ But any trusts for TEC were revoked in 1989, almost 20 years before the Diocese and TEC parted ways.¹⁷

Defendants have never claimed the 1984 Judgment “deprived [TEC] of its property rights.”¹⁸ To the contrary, TEC was not a party to the 1984 judgment because *it had no property rights*; the trust stated in the deeds was for the Dallas Diocese and no one else.¹⁹ It would be another 20 years before TEC began claiming it had rights in local property and intervening in Episcopal property litigation.²⁰

Nothing in the sanctuary deed states that “the grantors did not intend the property to depart from The Episcopal Church.”²¹ The deed designated the senior Bishop of TEC as an interim titleholder if a Dallas bishop died, resigned, or was removed from office *while vested with title* to the property.²² The 1984 judgment rendered that clause a nullity by transferring title from the bishops to the Corporation, a method both the Fort Worth and Dallas dioceses adopted to “reliev[e] the Bishop from the burden of being ‘corporation sole.’”²³

In a final outburst, Plaintiffs say the Court is being asked “to invalidate an entire body of Texas law allowing trusts in favor of entities and classes.”²⁴ Really? Texas law allows revocable trusts to be revoked, even if the entities and classes that are potential beneficiaries object. As any trust for TEC in the 1947 sanctuary deed was repudiated, it cannot support Plaintiffs’ claims.

¹⁶ See TEC Resp-ASEC at 4-5.

¹⁷ See Defs. 2d MSJ Iker Affid. ¶7 & Ex. 1.

¹⁸ See TEC Resp-ASEC at 3-4

¹⁹ See Defs. Resp-ASEC at 2-3; Defs. 2d Resp. at 17-21; Defs. 2d Reply at 27-31.

²⁰ See Defs. 2d MSJ, Sharpe Affid. Table A.

²¹ See TEC Resp-ASEC at 5.

²² See JA02524 (duplicate of JA01104).

²³ See Defs. 2d Resp. Maneikis Affid. Ex. 4 at 21.

²⁴ See TEC Resp-ASEC at 5.

III. Diocese Rules Impose No Trust for Plaintiffs

The only valid trust here is in the Diocese's charters. It places property in trust for the use of the "Parish" for which it was acquired, which is defined as the unincorporated association in union with the Diocese. *See Tab A attached*. This is not unusual; the Diocese of Dallas adopted an identical definition.²⁵

Until 2008, there was only one All Saints parish, and it was both (a) a parish in union with the Diocese, and (b) the parish for which the sanctuary and rectory were acquired. When the congregation split in two, **both** parishes included parishioners for whom the properties were acquired, but **only one** was in union with the Diocese—the Defendants' parish. Under the Neutral Principles approach, the question for this Court is not which parish is the "true" parish, but which parish is entitled to property under the legally cognizable rules stated in state law and the church charters.²⁶ That is clear here.

Plaintiffs have no answer to the canon that defines "Parish" as the unincorporated entity in union with the Diocese. Their sole defense is that this definition is in a different canon than the property canon. But contracts and statutes routinely define terms in one place and use them somewhere else. The Diocese was not required to define "Parish" in all 25 Canons that use the term.

This is not something "Defendants forgot to state until now."²⁷ The only "congregational-level trust" Plaintiffs have ever pleaded relies on Deference: that it is "the Church's ecclesiastical determination" that a trust exists "in favor of the loyal congregations[.]"²⁸ Having never alleged that Plaintiffs' All Saints was specified as beneficiary by the Diocese's charters, they are in no position to claim that Defendants' response to their new claim comes too late.

²⁵ See Defs. 2d Resp. Maneikis Affid. Ex. 4 at A-26 (1982 Dallas Diocese Canon 36).

²⁶ See *Jones v. Wolf*, 443 U.S. 595, 606-07 (1979).

²⁷ See TEC Resp-ASEC at 7.

²⁸ See Defs. 2d MSJ Sharpe Affid. Ex. 2 at 40 (¶¶ 124-25).

IV. Documents of the Parish Corporation Impose No Trust for Plaintiffs

Plaintiffs claim an express trust under All Saints' "governing documents."²⁹ This is a trick. There is no "governing document" for the unincorporated All Saints parish other than the Diocese's charters, which impose a trust only for the parish in union with the Diocese. The alleged "founding document" cited by Plaintiffs is not a governing document; it is merely a petition, and does not reflect that a parish was ever formed or how it would be governed.³⁰ The petition was addressed to the Diocese's predecessor, the Dallas Diocese, the only body that could create the parish.³¹ The signers vowed to obey the authority of the Diocese and conform to the constitutions of the Diocese and TEC.³² Plaintiffs do not explain why this petition required loyalty to one entity but not the other.

By contrast, the bylaws Plaintiffs quote govern a local corporation formed in 1953. But since inception in 1982, the Diocese's rules have stated that a parish corporation *could not* hold legal or equitable title to property.³³ Thus, it does not matter what bylaws or "repeated steps" this parish corporation took;³⁴ it has never had any legal claim to the sanctuary or rectory, so its bylaws or actions could not impose a trust on either.³⁵

²⁹ See TEC Resp-ASEC at 12.

³⁰ See JA02545.

³¹ See Defs. 2d Resp. Meneikis Affid. Ex. 1 at 14 (Art. IX of 1895 Dallas Diocese Constitution); *id.* at Ex. 4 at A-13 (1982 Dallas Canon 12).

³² See JA02545.

³³ See Defs. 3d MSJ at 9-11; *see also* Defs. 2d Resp. at 17-21; Defs. 2d Reply at 27-31.

³⁴ See TEC Resp-ASEC at 12-13, 18-19.

³⁵ See TEX. PROP. CODE § 112.001-.002; *State v. Rubion*, 308 S.W.2d 4, 10 (Tex. 1957); *Best Inv. Co. v. Hernandez*, 479 S.W.2d 759, 763 (Tex. Civ. App.—Dallas 1972, writ ref'd n.r.e.) ("Declarations of the purported beneficiary of the trust are not competent to establish the trust.").

V. The Remaining Errors in Plaintiffs' Response

A. The Defendant Corporation

Plaintiffs claim the Defendant Corporation is “irrelevant” and “immaterial,”³⁶ even though it is the *owner* of the sanctuary and rectory in dispute. In deciding which congregation is entitled to use them, the Court must take into account that the *owner* of both is affiliated with the Diocese, and was intended to hold property for churches in union with the Diocese.

Plaintiffs ask the Court to do more than ignore the Corporation; they want the Court to override its articles and bylaws, fire all its corporate directors, and hand it over to an outside group that had no prior affiliation with it.³⁷ Plaintiffs have yet to cite *a single case* in which a Texas court fired all the officers of a corporation or let outsiders name their replacements.

The Texas Supreme Court said the opposite: “The corporation was incorporated pursuant to Texas corporation law and that law dictates how the corporation can be operated, including determining the terms of office of corporate directors[.]”³⁸ *Masterson* held that under Texas law, no outside group has power to take over a corporation “absent specific, lawful provision in the corporate documents.”³⁹ This Court cannot ignore the Supreme Court’s mandate.

B. Canon 32

Plaintiffs do not deny that Texas law requires members of a private association to comply with its internal dispute-resolution rules.⁴⁰ And they admit

³⁶ See TEC Resp-ASEC at 10-11.

³⁷ See *id.* at 11 (“[U]nder neutral principles of law, [the Trustees] must be removed if the Court concludes that Defendants control the Corporation.”).

³⁸ See *Episcopal Diocese of Fort Worth v. The Episcopal Church*, 422 S.W.3d 646, 652 (Tex. 2013).

³⁹ *Masterson v. Diocese of Nw. Tex.*, 422 S.W.3d 594, 600, 609-10 (Tex. 2013).

⁴⁰ See *Juarez v. Texas Ass’n of Sporting Officials El Paso Chapter*, 172 S.W.3d 274, 280 (Tex. App.—El Paso 2005, no pet.).

refusing to comply with the rules in Canon 32.⁴¹ Their excuses are that these rules were (a) not pleaded, (b) not properly invoked, and (c) not mandatory.

Not pleaded? First, failure to exhaust an association's administrative procedures implicates the Court's jurisdiction, so it can be raised at any time.⁴² Second, this issue has been tried by consent,⁴³ as Defendants have raised Canon 32 for years, including repeatedly in the briefing that led to this Court's March 2015 Order.⁴⁴ Third, Defendants did not have to plead exhaustion of remedies under the Diocese's charters until Plaintiffs pleaded a claim based on those charters. The only "congregational-level trust" Plaintiffs have pleaded is a Deference-based argument that annuls what the Diocese rules say.⁴⁵ If the Court is looking for procedural default, Defendants object to a theory Plaintiffs have never pleaded.

Not properly invoked? Plaintiffs gain nothing by contending that the Canon 32 hearing Bishop Iker held was improperly convened. Plaintiffs failed to comply with Canon 32 *at all*; until they do, they cannot pursue a trust claim under the Diocese's charters while disregarding the dispute-resolution procedures therein.

Not mandatory? Plaintiffs say parishes have discretion to ignore Canon 32 because it states that a parish "may petition the Bishop" for a hearing. But "may" can be mandatory.⁴⁶ As Black's Law Dictionary states: "In dozens of cases, courts

⁴¹ See JA02678-81; JA02766-67; see also Defs. 2d Reply at 20.

⁴² See *Juarez*, 172 S.W.3d at 278; see also *City of Houston v. Rhule*, 417 S.W.3d 440, 443 (Tex. 2013).

⁴³ See TEX. R. CIV. P. 67; *Roark v. Stallworth Oil & Gas, Inc.*, 813 S.W.2d 492, 495 (Tex. 1991).

⁴⁴ See Appellant's Br. at 3, filed in Tex. Sup. Ct. on Feb. 6., 2012; see also Supp. Aff. of Walter Virden, III filed with Defs.' Resp. to Pl. The Episcopal Church's Mot. for Summ. J. filed in this court on Jan. 7, 2011; Defs. 2d MSJ at 8, 53-54 & Iker Affid. Ex. 3, pp. 42, 73 (amendment to Canon 32); Defs. 2d Resp. at 10, 30 & Bates Ex. 1 at 16, 168 & Iker Ex. 3 at 231, 234, 241, 269, 287 & 301; Defs. 2d Reply at 20 & 2d Supp. Affid. of Jack L. Iker (¶¶ 4-5); see also Defs. 3d MSJ at 4, 10-11 & 3d Supp. Affid. of Jack L. Iker (¶¶ 4-5);

⁴⁵ See Defs. 2d MSJ Sharpe Affid. Ex. 2 at 40 (¶¶ 124-25).

⁴⁶ See *Cortez Byrd Chips, Inc. v. Bill Harbert Const. Co.*, 529 U.S. 193, 198 (2000) ("the mere use of 'may' is not necessarily conclusive of congressional intent to provide for a permissive or

have held *may* to be synonymous with *shall* or *must*, usu. in an effort to effectuate what is said to be legislative intent.”⁴⁷ The Texas Government Code also states that *may* “creates discretionary authority **or grants permission or a power.**”⁴⁸ The last phrase applies here: parishes cannot take property out of union with the Diocese, but Canon 32 says they “may” do so (granting permission or a power) if they follow the steps stated therein. Plaintiffs did not. Leaving the Diocese was permissible, but taking property without complying with Canon 32 was not.

C. Loyalty oath

The loyalty oath Plaintiffs imposed on parishioners is not dispositive, as beneficial use depends solely on whether a parish is in union with the Diocese. Defendants brought the loyalty oath to the Court’s attention to correct any misimpression from Plaintiffs’ assertion that the vestry chose to leave, as that vestry was carefully self-selected. Plaintiffs’ various threats and procedural ploys ensured that no one can really tell how many parishioners wanted to leave the Diocese.⁴⁹

“Loyalty is a quality to be encouraged,” the Plaintiffs admonish us.⁵⁰ But according to the Founder of the Christian faith, loyalty to a religious tradition ought to take a back seat to faithfulness to God’s Word.⁵¹

discretionary authority.”); *United States v. Rodgers*, 461 U.S. 677, 706 (1983) (“The word ‘may,’ when used in a statute, usually implies some degree of discretion[, but] [t]his common-sense principle of statutory construction ... can be defeated by indications of legislative intent to the contrary or by obvious inferences from the structure and purpose of the statute” (footnote and citations omitted)).

⁴⁷ BLACK’S LAW DICTIONARY 1127 (10th ed. 2014).

⁴⁸ TEX. GOV’T CODE § 311.016 (emphasis added).

⁴⁹ See Defs. 3d MSJ at 3-4, 11 & Ex. D; Defs Resp-ASEC Brackett Affid.

⁵⁰ See TEC Resp-ASEC at 16.

⁵¹ See Mark 7:9-13 (“He said to them, ‘All too well you reject the commandment of God, that you may keep your tradition . . . making the word of God of no effect through your tradition which you have handed down. And many such things you do.’”).

D. Adverse possession

Defendants have asserted adverse possession only against alleged trusts for TEC.⁵² Neither party has asserted adverse possession based on Plaintiffs' brief use of the sanctuary and rectory between leaving the Diocese and filing this lawsuit a few weeks later.

E. Constructive trust

Rather than neutral principles of Texas law, Plaintiffs urge the Court to impose a judicially created constructive trust that would violate (a) church rules creating a trust solely for parishes in union with the Diocese and repudiating any trust for TEC; (b) the constitutional rule that courts must follow church rules;⁵³ (c) state trust law declaring TEC's trust to be revocable;⁵⁴ (d) state corporate law barring outsiders from running the Corporation;⁵⁵ and (e) state laws imposing on the Trustees a duty of loyalty to the Corporation.⁵⁶

There is no injustice in entrusting the sanctuary and rectory to the parish in union with the Diocese, since that has been the rule for 30 years. There is no injustice in requiring Plaintiffs to negotiate in good faith under Canon 32 before taking property from the Diocese. And there is no injustice in enforcing Texas corporate, trust, and property law as the Texas Supreme Court has mandated. Plaintiffs are not entitled to any constructive trust.

⁵² See Defs. 3d MSJ at 9.

⁵³ See *Jones v. Wolf*, 443 U.S. 595, 606 (1979) (“And the civil courts will be bound to give effect to the result indicated by the parties, provided it is embodied in some legally cognizable form.”).

⁵⁴ See TEX. PROP. CODE § 112.051.

⁵⁵ See TEX. REV. CIV. STAT. art. 1396-2.15 (codified at TEX. BUS. ORGS. CODE §§ 22.206, 22.208, 22.211, 22.212).

⁵⁶ See *id.* art. 1396-2.28(A) (codified at TEX. BUS. ORGS. CODE § 22.221); *Ritchie v. Rupe*, 443 S.W. 3d 856, 868 (Tex. 2014).

Conclusion

For the reasons stated, the Court should grant Defendants' Third Motion for Partial Summary Judgment.

Respectfully submitted,

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I hereby certify that on the 1st day of June, 2015, a true and correct copy of the foregoing Defendants' Reply in Support of their Third Motion for Partial Summary Judgment Relating to All Saints Episcopal Church was forwarded to all counsel of record via electronic transmission:

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**THE CONSTITUTION AND CANONS
OF
THE EPISCOPAL DIOCESE OF FORT WORTH**

Prepared by

**THE COMMITTEE
ON
CONSTITUTION AND CANONS
THE EPISCOPAL DIOCESE OF FORT WORTH**

Revised by the 26th Annual Convention of
The Episcopal Diocese of Fort Worth
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CANON 18

TITLE TO PROPERTY

Sec. 18.1 The Title to all property now owned and hereafter acquired by the Diocesan Corporation for its use and benefit and for the use and benefit of Parishes, Missions and Diocesan Institutions shall be held in the name of said Corporation and may only be conveyed or encumbered with the approval of the Board of Trustees and in accordance with the Constitution and Canons of the Episcopal Diocese of Fort Worth. All of the assets and properties of the Corporation and accumulations thereof shall be held and administered to effectuate its purpose. In case of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or by operation of law, the property held by the Corporation in trust for the use of a particular Parish, Mission or Diocesan School shall be conveyed to the governing body of such Parish, Mission or School. In case of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or by operation of law, the other assets or properties of the Corporation shall be distributed in such manner as the Board of Trustees of the Corporation shall direct, provided, however, that any such distribution shall be such as is calculated to be exclusively to carry out the purposes for which the Corporation is formed or for one or more other exempt purposes within the meaning of the applicable provisions of the Internal Revenue Code of 1954, as amended, or any similar federal statute then in effect and rules and regulations pursuant thereto. "The liquidation, dissolution or winding up of the Corporation," within the meaning of this Canon and of the Constitution of the Diocese, shall refer to the actual cessation of operation of the Corporation and not to the merger or subdivision of the Corporation or the Diocese.

Sec. 18.2 Real property acquired by the Corporation for the use of a particular Parish, Mission or Diocesan School shall be held by the Corporation in trust for the use and benefit of such Parish, Mission or Diocesan School. It is immaterial whether said acquisition is by conveyance to the Corporation by a Parish, Mission or Diocesan School now holding title, by the Bishop now holding title as a corporate sole, by a declaratory judgment upon division from the Diocese of Dallas, or by subsequent conveyance to the Corporation, so long as such property was initially acquired by a Parish, Mission or Diocesan School by purchase, gift or devise to it, as a Parish, Mission or Diocesan School. Such Parish, Mission or Diocesan School shall be entitled to all income from property held for it in trust by the Corporation and will be responsible for the direct expenses attributable to such property, but not for any administrative expenses of the Corporation. Property held in trust by the Corporation for a particular Parish, Mission or Diocesan School may not be conveyed, leased or encumbered in any way by the Corporation without the written consent of the Rector, Wardens and Vestry of the Parish, of the Standing Committee in the case of a Mission, or of the Board of Trustees of the Diocesan School for which such property is held in trust. Upon dissolution of a Parish, Mission or Diocesan School, such property held in trust for it shall revert to the Corporation for the use and benefit of the Diocese. "Dissolution" of a Parish, Mission or Diocesan School, within the meaning of this Canon and of the Constitution of the Diocese, shall refer to the actual cessation of operation of a Parish, Mission or Diocesan School and not to its merger, reorganization, change of location or attachment to a different Diocese.

Sec. 18.3 Real property held or acquired by a Parish, Mission or Diocesan School by purchase, gift or devise shall be conveyed by it to the Corporation if an ad valorem tax exemption based on religious or educational use is claimed. Real property held or acquired by a Parish, Mission or Diocesan School need not be conveyed by it to the Corporation if such property is held for investment or income-producing purposes and no ad valorem tax exemption is claimed.

Sec. 18.4 Property held by the Corporation for the use of a Parish, Mission or Diocesan School belongs beneficially to such Parish, Mission or Diocesan School only. No adverse claim to such beneficial interest by the Corporation, by the Diocese, or by The Episcopal Church of the United States of America

Canon 18 (cont.)

is acknowledged, but rather is expressly denied. All other property of the Corporation held for the Episcopal Diocese of Fort Worth for those exempt religious purposes within the meaning of the Internal Revenue Code, as herein above described. Such exempt religious purposes shall be those determined by the Convention of the Episcopal Diocese of Fort Worth and the appropriate officers elected by it. No adverse claim to such beneficial interest by The Episcopal Church of the United States of America is acknowledged, but rather is expressly denied.

Sec. 18.5 If it becomes necessary to sell or lease the property or otherwise dispose of it, the Corporation known as "Corporation of the Episcopal Diocese of Fort Worth" with the advice and consent of the Standing Committee is hereby authorized to execute such legal instruments as may be necessary to convey, lease or effect such other disposition as is herein authorized.

Revised October 1989

CANON 31**CORPORATIONS**

Sec. 31.1 Any Parish, Mission or Diocesan Institution which desires to organize a corporation to use in connection with the administration of its affairs may do so upon compliance with the following requirements.

- a. If organized by a Parish or Mission, any such corporation shall be merely an adjunct or instrumentality of such Parish or Mission; the Parish or Mission itself, being the body in union with Convention, shall not be incorporated.
- b. The articles of incorporation must expressly provide that such corporation is subject to, and its powers and rights shall be exercised in accordance with, the Constitution and Canons of this Diocese.
- c. Such corporation shall not hold title to real estate acquired for the use of the Church in the Diocese, which title must be vested and dealt with in accordance with the provisions of Article 13 of the Constitution of the Diocese.
- d. The proposed articles of incorporation and bylaws of such corporation, and any amendments thereof, shall, prior to filing or adoption, be submitted to the Chancellor of the Diocese for his approval as being in conformity with these provisions.

Sec. 31.2 Those in charge of the affairs of any corporation, organized by any Parish, Mission or Diocesan Institution, shall review its articles of incorporation and bylaws and bring them into conformity with provisions of this Canon, if inconsistent therewith.

Revised November 2008