

CAUSE NO. 153-144833-92

CORPORATION OF THE EPISCOPAL
DIOCESE OF FORT WORTH,
CHURCH OF THE HOLY APOSTLES

IN THE DISTRICT COURT

VS.

TARRANT COUNTY, TEXAS

THE REVEREND M.L. MCCAULEY,
SOMETIME RECTOR AND CHAIRMAN
OF THE VESTRY OF CHURCH OF
THE HOLY APOSTLES; ALBON
HEAD, SOMETIME SENIOR WARDEN
AND STEVE BLACKMAN, SOMETIME
JUNIOR WARDEN OF CHURCH OF
THE HOLY APOSTLES; HORACE
BOOTH, HOMER COX, BECKY
HEAD, ROBERT MILLER, ROBERT
PALMER, JEAN RICHARDSON,
DON SHIPE, PAUL SNELL,
AND JAMES CHARBONNET, SOMETIME
MEMBER OF THE VESTRY OF CHURCH
OF THE HOLY APOSTLES; AND THE
SCHISMATIC AND PURPORTED CHURCH
OF THE HOLY APOSTLES

153RD JUDICIAL DISTRICT

AFFIDAVIT OF THE REVEREND CANON CHARLES A. HOUGH, III

STATE OF TEXAS §
§
COUNTY OF TARRANT §

BEFORE ME THE UNDERSIGNED AUTHORITY, on this day personally
appeared the REVEREND CANON CHARLES A. HOUGH, III, who, being by me
personally sworn, upon his oath deposed and stated as follows:

"My name is Reverend Canon Hough, III and I am a Canon to the
Ordinary. I am over the age of eighteen years of age and in all
respects competent to make this Affidavit. I have personal

knowledge of the facts stated herein and they are true and correct."

"Attached as Exhibit "A" is Canon 6 Sec. 4 of Constitutions & Canons for the Government of the Protestant and Episcopal Church in the United States of America, which provides as follows:

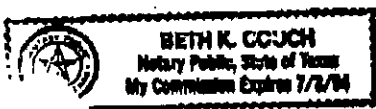
All real and personal property held by or for the benefit of any Parish, Mission or Congregation is held in trust for this Church and the Diocese thereof in which Parish, Mission or Congregation is located. The existence of this trust, however, shall in no way limit the power and authority of the Parish, Mission or Congregation otherwise existing over such property so long as the particular Parish, Mission or Congregation remains a part of, and subject to this Church and its Constitution and Canons."

"This Canon was enacted in 1979 and in existence when the real property in question was purchased in 1985 and which is the subject matter of this lawsuit."

"Further Affiant Sayeth not."

Charles A. Hough, III
REVEREND CANON CHARLES A. HOUGH, III,
Affiant

SWORN TO AND SUBSCRIBED before me on this 4th day of February, 1994.



Beth K. Couch
Notary Public in and for the
State of Texas
My Commission Expires: 7/3/94

CONSTITUTION & CANONS

FOR THE GOVERNMENT OF THE
PROTESTANT EPISCOPAL CHURCH
IN THE UNITED STATES OF AMERICA
OTHERWISE KNOWN AS

The episcopal church

ADOPTED IN GENERAL CONVENTIONS
1789-1979

TOGETHER WITH
the rules of order

Printed for the Commission

1979

EXHIBIT "A"

CANON 6.

Of Business Methods in Church Affairs

Sec. 1. In every Diocese, Parish, Mission, and Institution, connected with this Church, the following standard business methods shall be observed:

(1) Trust and permanent funds and all securities of whatsoever kind shall be deposited with a Federal or State Bank, or a Diocesan Corporation, or with some other agency approved in writing by the Finance Committee or the Department of Finance of the Diocese, under either a deed of trust or an agency agreement, providing for at least two signatures on any order of withdrawal of such funds or securities.

But this paragraph shall not apply to funds and securities refused by the depositories named as being too small for acceptance. Such small funds and securities shall be under the care of the persons or corporations properly responsible for them.

(2) Records shall be made and kept of all trust and permanent funds showing at least the following:

- (a) Source and date.
- (b) Terms governing the use of principal and income.
- (c) To whom and how often reports of condition are to be made.
- (d) How the funds are invested.

(3) Treasurers and custodians, other than banking institutions, shall be adequately bonded; except treasurers of funds that do not exceed five hundred dollars at any one time during the fiscal year.

(4) Books of account shall be so kept as to provide the basis for satisfactory accounting.

(5) All accounts of the Diocese shall be audited annually by an independent Certified Public Accountant. All accounts of Parishes, Missions or other institutions shall be audited annually by an independent Certified Public Accountant, or independent Licensed Public Accountant, or such audit committee as shall be authorized by the Finance Committee, Department of Finance, or other appropriate diocesan authority.

All reports of such audits, including any memorandum issued by the auditors or audit committee regarding internal controls or other accounting matters, together with a summary of action taken or proposed to be taken to correct deficiencies or implement recommendations contained in any such memorandum, shall be filed with the Bishop or Ecclesiastical Authority not later than 30 days following the date of such report, and in no event, not later than September 1 of each year covering the financial reports of the previous calendar year.

(6) All buildings and their contents shall be kept adequately insured.

(7) The Finance Committee or Department of Finance of the Diocese may require copies of any or all accounts described in this Section to be filed with it and shall report annually to the Convention of the Diocese upon its administration of this Canon.

(8) The fiscal year shall begin January 1.

Sec. 2. The several Dioceses shall give effect to the foregoing standard business methods by the enactment of Canons appropriate thereto, which Canons shall invariably provide for a Finance Committee or a Department of Finance of the Diocese.

Sec. 3. No Vestry, Trustee, or other Body, authorized by Civil or Canon law to hold, manage, or administer real property for any Parish, Mission, Congregation, or Institution, shall encumber or alienate the same or any part thereof without the written consent of the Bishop and Standing Committee of the Diocese of which the Parish, Mission, Congregation, or Institution is a part, except under such regulations as may be prescribed by Canon of the Diocese.

(Sec. 4.) All real and personal property held by or for the benefit of any Parish, Mission or Congregation is held in trust for this Church and the Diocese thereof in which such Parish, Mission or Congregation is located. The existence of this trust, however, shall in no way limit the power and authority of the Parish, Mission or Congregation otherwise existing over such property so long as the particular Parish, Mission or Congregation remains a part of, and subject to this Church and its Constitution and Canons.

Sec. 5. The several Dioceses may, at their election, further confirm the trust declared under the foregoing Section 4 by appropriate action but no such action shall be necessary for the existence and validity of the trust.

CANON 7.

Of The Church Pension Fund.

Sec. 1. The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity and for the surviving spouses and minor children of deceased Clergy.

Sec. 2. The General Convention at each regular meeting shall elect, on the nomination of a Joint Committee thereof, twelve persons to serve as Trustees of The Church Pension Fund for a term of six years and until their successors shall have been elected and have qualified, and shall also fill such vacancies as may exist on the Board of Trustees; except that at the meeting held in the year 1970, the General Convention shall elect four persons to serve for a term of three years and four persons to serve for a term of six years. Any person elected after the date of this amendment may serve not more than two consecutive six-year terms. Any vacancy which occurs at a time when the General Convention is not in session may be filled by the Board of Trustees by appointment, *ad interim*, of a Trustee who shall serve until the next session of the General Convention thereafter shall have elected a Trustee to serve for the remainder of the unexpired term pertaining to such vacancy.

Fiscal year.
Diocesan law
enforce by
Canon.

Encumbrance of
property requires
consent of Bishop
and Standing
Committee.

Authorized to
administer
pension system.

Trustees, here
elected.

and methods
observed.

of funds.

of

of trust

ers to be

s of account
edit.

alls
sacc.
in to
revised.