

§203 BYLAWS OF “THE CATHOLIC BISHOP OF CHICAGO,” A CORPORATION SOLE

These Bylaws are an expression of the self-understanding of the Archdiocese of Chicago in its administration of temporal goods under civil law, as viewed in light of the doctrines and canon law of the Roman Catholic Church. The Bylaws are also a description of the way that the Archdiocese of Chicago has endeavored to function since the adoption of legislation by the Illinois General Assembly in 1845 and 1861 establishing the civil law entity known as, "The Catholic Bishop of Chicago," a Corporation Sole. The Corporation Sole exists for civil law purposes, but it recognizes canon law principles and is intended to be consistent with them. From the perspective of canon law, the Bylaws are viewed under canon 22: "Civil laws to which the law of the Church yields are to be observed in canon law with the same effects, insofar as they are not contrary to divine law and unless canon law provides otherwise."

§203 ADOPTION OF BYLAWS

203.0 Policy The Archdiocese of Chicago shall operate its entities in accord with the following Bylaws of “The Catholic Bishop of Chicago,” a Corporation Sole.
--

BYLAWS OF "THE CATHOLIC BISHOP OF CHICAGO," A CORPORATION SOLE

TABLE OF CONTENTS

§203.1	Definitions
§203.2	Purposes of the Corporation Sole
§203.2.1	General Purposes
§203.2.2	Tax Exempt Status
§203.2.3	Dissolution
§203.2.4	Canon Law
§203.3	Powers of the Corporation Sole
§203.4	Parishes and the Corporation Sole
203.4.1.	Legal Title to Parish Real Property
203.4.2.	Legal Title to Parish Personal Property

§203 *Bylaws of "The Catholic Bishop of Chicago," a Corporation Sole*

- 203.4.3. Inventories of Parish Real and Personal Property Interests Held in Trust.
- 203.4.4. Change in Parish Status
- 203.4.5. Non-Corporation Sole Parishes Distinguished

203.5 Services to Parishes and Other Ecclesial Functions

- 203.5.1. Services Generally
 - 203.5.1.1. General Services to Parishes
 - 203.5.1.2. General Services to Other Ecclesial Functions
- 203.5.2. Trustee Services
- 203.5.3. Financial Matters
 - 203.5.3.1. Assessment
 - 203.5.3.2. Expenses Attributable to a Parish
 - 203.5.3.3. Governmental Fees
 - 203.5.3.4. Financial Reporting

203.6 Other Provisions

- 203.6.1. Manner of Acting
 - 203.6.1.1 Generally
 - 203.6.1.2 Delegation of Authority; Attorney-in-Fact
 - 203.6.1.3 Succession
- 203.6.2 Administrative Recourse
- 203.6.3. Amendment
- 203.6.4. Interpretation
- 203.6.5. Severability

The Archdiocese in Canon Law

A diocese is a particular church "in which and from which the one and only Catholic church exists." (c. 368). It is described as "a portion of the people of God which is entrusted to a bishop for him to shepherd with the cooperation of the presbyterium, so that, adhering to its pastor and gathered by him in the Holy Spirit through the gospel and the Eucharist, it constitutes a particular church in which the one, holy, catholic, and apostolic Church of Christ is truly present and operative." (c. 369).

Bishops are placed as the heads of dioceses and are "constituted pastors in the Church, so that they are teachers of doctrine, priests of sacred worship, and ministers of governance" (c. 375 §1). A bishop has "all ordinary, proper and immediate power which is required for the exercise of his pastoral function, except for cases which the law or a decree of the Supreme Pontiff reserves to the supreme authority or to another ecclesiastical authority (c. 381 §1).

In exercising the ministry of governance, a bishop does so with legislative, executive and judicial authority (c. 391 §1). In particular, "the diocesan bishop represents his diocese on all its juridic affairs." (c. 393).

The Catholic Church "by innate right is able to acquire, retain, administer, and alienate temporal goods" (c. 1254 §1) in the pursuit of its purposes including "divine worship, to care for the decent support of the clergy and other ministers, and to exercise works of the sacred apostolate and of charity, especially toward the needy." (c. 1254 §2). The diocesan bishop has been entrusted with administration of these goods (c. 1279 §1), and is to fulfill his responsibilities "with the diligence of a good householder" (c. 1284 §1), providing that "ownership of ecclesiastical goods is protected by civilly valid methods." (c. 1284 §1, 2°). The Church generally follows civil law: "Civil laws to which the law of the Church yields are to be observed in canon law with the same effects, insofar as they are not contrary to divine law and unless canon law provides otherwise." (c. 22).

To care for the people of God in the State of Illinois, the Diocese of Chicago was created by decree of Pope Gregory XVI on November 28, 1843. In 1844, the Right Reverend William Quarter was appointed Bishop of Chicago. The Diocese of Chicago was raised to the rank of archdiocese on September 10, 1880, by decree of Pope Leo XIII. The Archdiocese initially comprised the entire state of Illinois. As the Catholic population of the State of Illinois grew, the Archdiocese was subdivided to create other dioceses. The Archdiocese of Chicago now comprises Cook and Lake Counties, Illinois.

The "Catholic Bishop of Chicago" in Civil Law

On February 24, 1845, the Illinois legislature approved an act providing in relevant part that, in view of questions raised about the legal authority of the Bishop of Chicago to receive and hold property in his capacity as Bishop:

*...That all gifts, grants, deeds, wills, and other conveyances, wherein or whereby any lands, tenements or other property within this State, have been given, devised or granted, or in any manner conveyed, ... unto any person by the name, style, or title, of ... the Roman Catholic Bishop of Chicago, or Catholic Bishop of Chicago, and his successors, or to any other person upon the trust express or implied, to take, hold, and receive the same for the use and benefit of any religious congregation of Roman Catholics or for the support, aid, and maintenance of any hospital, almshouse, seminary, church, parsonage, or for burial grounds, or other religious or charitable purposes within this State, and all such gifts, grants, deeds, wills and other conveyances which may hereafter be made, **are hereby confirmed and declared to be good, sufficient and effectual in law to vest the legal title or estate in fee simple, of, in, and to the said lands, and tenements, and other property in such grantee, or devisee, and in such persons as shall be in future the successors of the said Catholic Bishop of Chicago, forever, and in no other person or persons whatsoever ...** And provided further, That nothing in this act shall be taken or construed to give, or grant to the said Catholic Bishop of Chicago, or his successors, the right to hold real estate in trust for any*

§203 Bylaws of "The Catholic Bishop of Chicago," a Corporation Sole

religious society, except for charitable, religious, and literary purposes or for burial grounds, as provided for by this act. (Emphasis supplied).

On February 20, 1861, the Illinois legislature approved a further act amending the law of February 24, 1845, "to incorporate the Catholic Bishop of Chicago", providing:

*... That the present Catholic Bishop of Chicago, and his successors in office, **be and are hereby created a body politic, and a corporation sole, under the name and style of "The Catholic Bishop of Chicago;"** and by that name said bishop, and his successors in office ... shall sue and be sued...[and] may acquire, hold and convey property, real, personal and mixed, of any kind and nature whatsoever; and shall have the power to borrow money, and mortgage and incumber (sic) said property, so to be held, as aforesaid, or any portion thereof ...That the title to all the property, real, personal and mixed, intended to be vested in the Catholic Bishop of Chicago, and his successors, by [the 1845 Act] to which this act is in part an amendment, is hereby vested in and confirmed to the "Catholic Bishop of Chicago," and his successors, absolutely, subject however to the gifts, grants, conveyances, deeds of trust, mortgages or other lawful assurance, heretofore made by the said Right Reverend William Quarter, or his said successors." (Emphasis supplied).*

Under the authority of these Acts of the Illinois legislature, The Catholic Bishop of Chicago, a corporation sole, has conducted its civil affairs from 1845 to the present day.

The Purpose of These Bylaws

The Diocese of Chicago was created before the modern codification of canon law. In 1917, the laws of the Church were codified and published as the Codex iuris canonici (Code of Canon Law); this code was revised and republished in 1983. The Code of Canon Law now expresses the canonical relationships among institutions and people of the Church that inform these Bylaws.

Similarly, these Bylaws give contemporary meaning to the civil law structure contained in the 19th century acts of the Illinois legislature. They reflect the purposes, governance and methods of operation of the Archdiocese of Chicago as it has conducted its civil legal affairs since its origin, continuing to the present. These Bylaws express and codify the practices of "The Catholic Bishop of Chicago," a corporation sole, the manner in which the diocese holds property, and the manner in which the diocesan bishop exercises his pastoral role in the civil sphere.

Throughout these Bylaws are references to the canon law provisions that define and govern the ecclesiastical status and actions of the Archbishop of Chicago and other

offices and entities of the Church. Issues involving matters of doctrine and canon law are subject to review in the proper ecclesiastical forum according to the Magisterium of the Church and canon law. In contrast, these Bylaws are a civil law document that defines and governs the civil status and actions of The Catholic Bishop of Chicago; civil matters are subject to review by civil authorities. The Church operates in two spheres, ecclesiastical and civil. These Bylaws are not intended, and should not be construed, to bring matters of doctrinal or canonical interpretation, or ecclesiastical governance or enforcement within the jurisdiction of civil authorities.

§203.1 Definitions

- (1) **"Archbishop of Chicago."** The "Archbishop of Chicago" (sometimes referred to as "the Archbishop") is a diocesan bishop entrusted with the pastoral care of the Archdiocese of Chicago by the Supreme Pontiff of the Roman Catholic Church and authorized as a successor of the apostles to teach, govern and sanctify through the power of the Holy Spirit in accord with Sacred Scripture, Church doctrine and canon law, as described in the preamble to this section. The "Archbishop of Chicago" is not a civil law title.
- (2) **"Archdiocese of Chicago."** The "Archdiocese of Chicago" (sometimes referred to as "the Archdiocese") is an ecclesiastical entity defined by canon law, as described in the preamble to this section. The "Archdiocese of Chicago" is not a civil law entity.
- (3) **"Corporation Sole."** In these Bylaws, the civil law entity called "The Catholic Bishop of Chicago" is referred to hereinafter as the "Corporation Sole." The Corporation Sole is distinct from the ecclesiastical Archdiocese of Chicago. The duly appointed Archbishop of Chicago or his successor (as specified in §203.6.1.3 of these Bylaws) is constituted in civil law as "The Catholic Bishop of Chicago, a Corporation Sole."
- (4) **"Civilly Affiliated Organization."** In these Bylaws, a "Civilly-Affiliated Organization" is a not-for-profit corporation or other civil law entity with respect to which the Archbishop of Chicago may serve as corporate member or exercise some appointive power, or that may otherwise be related to the Archdiocese of Chicago by historical ties. A Civilly-Affiliated Organization:
 - (a) Is not part of the Corporation Sole, but
 - (b) May receive services from the Corporation Sole, as described in §203.5.

Examples of Civilly-Affiliated Organizations include Catholic Charities of the Archdiocese of Chicago, Maryville Academy, Misericordia Home, Mercy Home, and other institutions.

- (5) "**Diocesan Curia.**" The Curia comprises the departments and offices of the Archdiocese of Chicago, and includes those institutions and persons which assist the bishop in the governance of the whole diocese, especially in guiding pastoral action, in caring for the administration of the diocese, and in exercising judicial power.
- (6) "**Ecclesial Function.**" In these Bylaws, "ecclesial function" refers generally to any legal entity, department, agency, parish, school, health or social service institution, consultative body or council, or other apostolate affiliated with the Roman Catholic Church, as it is identified in the annual Official Directory of the Archdiocese of Chicago. (For purposes of the classification and regulation of tax-exempt organizations under the Internal Revenue Code, ecclesial functions are listed in the national Official Catholic Directory.)

Each ecclesial function has a canonical relationship with the Archbishop of Chicago, and exists in a system of rights and responsibilities that is interpreted and enforced through institutions of the Church. Each ecclesial function may, or may not, have a civil legal relationship with the Corporation Sole. Ecclesial functions comprise four groups:

- (a) **Diocesan Curia.** These offices are part of the Corporation Sole.
- (b) **Apostolates of the Archdiocese.** These functions include:
- (i) Apostolates that are not separately incorporated under civil law. Such an apostolate typically operates as part of the civil law Corporation Sole. Examples might include the Chicago Airports Catholic Chaplaincy or Liturgy Training Publications. However, a particular apostolate may be legally distinct from the Corporation sole, for civil law purposes, based on other principles of civil law.
- (ii) Apostolates that are separately incorporated under civil law. These are Civilly Affiliated Organizations, defined above, that are not part of the Corporation Sole.
- (c) **Parishes of the Archdiocese.** A parish is canonically distinct from the Archdiocese, as a separate public juridic person. In civil law, a parish has typically been understood as operating as an unincorporated association; parishes may be civilly organized differently. Parishes are further described in §203.4.
- (d) **Apostolates of other canonically-recognized entities.** Religious orders of pontifical right and some other canonical entities are not part of the civil Corporation Sole; they may be separately

incorporated under the law of Illinois or other states. Their activities are not managed or operated by the Archdiocese or the Diocesan Curia, but they remain subject to the apostolic governance of the Archbishop in matters of faith and in certain aspects of ecclesiastical discipline. An activity of such a canonical entity within the Archdiocese may be separately incorporated under civil law, such as typical schools, hospitals, and other social service programs, or it may be unincorporated in civil law. In either case, such an apostolate:

- (i) Is not part of the Corporation Sole, and
- (ii) Is not a Civilly-Affiliated Organization, but
- (iii) May receive services from the Corporation Sole, as described in §203.5.

§203.2 Purposes of the Corporation Sole

203.2.1. General Purposes. The purposes of the Corporation Sole are:

- (1) To support the ecclesial ministry of the Catholic Church, "which our Savior, after His resurrection, entrusted to Peter's pastoral care (John 21:17), commissioning him and the other apostles to extend and rule it (cf. Matthew 28:18), and which He raised up for all ages as 'the pillar and mainstay of the truth' (1 Timothy 3:15). This Church, constituted and organized as a society in the present world, subsists in the Catholic Church, which is governed by the successor of Peter and by the bishops in communion with him." (Vatican Council II, Dogmatic Constitution on the Church, *Lumen Gentium*, November 21, 1964, no. 8).
- (2) To support the Archbishop of Chicago in carrying out the mission Jesus Christ gave to the Church: "to proclaim and establish among all peoples the kingdom of Christ and of God. She becomes on earth the initial budding forth of that kingdom. While she slowly grows, the Church strains toward the consummation of the kingdom and, with all her strength hopes and desires to be united in glory with her King." In carrying forward this mission, "the Church encompasses with her love all those who are afflicted by human misery and she recognizes in those who are poor and who suffer, the image of her poor and suffering founder. She does all in her power to relieve their need and in them she strives to serve Christ." (Vatican Council II, Dogmatic Constitution on the Church, *Lumen Gentium*, November 21, 1964, no. 6, 8).

- (3) To support the ecclesial and civil operation of the Archdiocese of Chicago, and of the Archbishop of Chicago.
- (4) To hold property, as permitted under canon law and as recognized in the relevant acts of the Illinois General Assembly approved February 24, 1845 and February 20, 1861, and more particularly to hold property in trust for the use and benefit of the Archdiocese of Chicago, its institutions, its parishes, and certain other institutions affiliated with the Catholic Church.
- (5) To ensure that the provisions of any gift, grant, devise, deed, or other instrument that direct, restrict, or encumber the use of property transferred to the Corporation Sole, the Archdiocese of Chicago, or any affiliated organization, or the proceeds thereof, are honored.

203.2.2. Tax Exempt Status. For the purposes of, and within the meaning of Section 501(c)(3) of the Internal Revenue Code, the Corporation Sole is organized and operated exclusively for religious, charitable and educational purposes, including the making of distributions to other organizations that qualify as exempt organizations under Section 501(c)(3).

Notwithstanding any other provision of these Bylaws, the Corporation Sole shall not be operated for any purpose inconsistent with the exempt purposes permitted by Section 501(c)(3) of the Internal Revenue Code, or regulations thereunder, or corresponding successor provisions of law or regulation. It is understood that the Corporation Sole is required by law to comply with the terms and conditions set forth in the Group Letter Ruling issued each year by the Internal Revenue Service for those entities appearing in *The Official Catholic Directory* as updated and published annually.

203.2.3. Dissolution. In the event of the dissolution of the Corporation Sole, its property and interests shall be conveyed, as determined by canon law, to one or more organizations exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code or any successor law.

203.2.4. Canon Law. Notwithstanding any other provision of these Bylaws, the Corporation Sole shall not be operated for any purpose inconsistent with Catholic doctrine or canon law. Notwithstanding this or any other provision of these Bylaws, these Bylaws shall not be construed to bring matters of doctrinal or canonical interpretation, or ecclesiastical governance or enforcement, within the jurisdiction of civil authorities.

§203.3 Powers of the Corporation Sole

The Corporation Sole may, to the extent of its legal authority, take actions appropriate to the civil administration of its assets, liabilities, contracts, and other legal rights and interests, including:

- (1) Creation, merger, or dissolution of other civil law entities, including (without limitation) not-for-profit corporations, religious corporations, or trusts to carry out the missions of the Archdiocese;
- (2) Ownership of real or personal property, or property interests of any kind, on behalf of the Archdiocese of Chicago;
- (3) Conveyance or transfer of legal or beneficial interests in real or personal property held by the Corporation Sole as appropriate to the operations of any ecclesial function or civil law entity; subject to any restrictions or encumbrances on the disposition of such asset; and.
- (4) Provision of services to parishes, to other ecclesial functions of the Archdiocese, or to other organizations, as the Corporation Sole may in its discretion determine to be appropriate, whether as trustee of real or personal property, as contractor, as agent, or in any other legal capacity, as more fully described in §203.5.

The canonical authority of the Archbishop of Chicago over the Archdiocese and its Ecclesial Functions shall not be affected by the existence or actions of the Corporation Sole.

§203.4 Parishes and the Corporation Sole

A parish is, in the Code of Canon Law, a "public juridic person" and "a certain community of the Christian faithful stably constituted in a particular church, whose pastoral care is entrusted to a pastor ("parochus") as its proper pastor (pastor) under the authority of the diocesan bishop." (c. 515). Further, "A diocesan bishop in the diocese entrusted to him has all ordinary, proper, and immediate power which is required for the exercise of his pastoral function except for cases which the law or a decree of the Supreme Pontiff reserves to the supreme authority or to another ecclesiastical authority." 381 §1.

In certain circumstances, canon law directs the diocesan bishop to exercise this authority with the advice and, at specified times, with the consent of consultative bodies such as the Archdiocesan Finance Council, College of Consultors, the Presbyteral Council and the Archdiocesan Pastoral Council.

The pastor represents the parish in its canonical juridic affairs, affecting determinations about the parish and its goods. (c. 532). The pastor operates within various limits; for example, the diocesan bishop may determine that execution of

contracts valued in excess of a certain amount is outside the scope of "ordinary administration"; and, the pastor may not institute or contest litigation in a civil court on behalf of the parish without the written permission of the Archbishop or his delegate or vicar (c. 1288).

In matters of civil law, the parishes of the Archdiocese of Chicago and other ecclesial public juridic persons have operated in a manner so as to respect their status as distinct entities, as provided by canon law. For example, parishes maintain and manage bank accounts, secure and use Federal Employer Identification Numbers, and prepare and remit withholding tax payments. In civil law, a parish may have been characterized as an unincorporated association established by a bishop to carry out the spiritual and temporal functions with which the parish community is charged.

As canonical public juridic persons, parishes have canonical ownership of those goods that they have lawfully acquired; these are distinct from goods canonically owned by the Archdiocese of Chicago. (c. 1256). Consistently with this canonical state, the Corporation Sole holds certain parish financial assets in trust for the benefit of each parish, in a separate account, the status of which is publicly reported by the Corporation Sole.

Consistent with the 1845 and 1861 Acts of the Illinois legislature, civil law title to the real property of Archdiocesan parishes has been and is held by the Corporation Sole, in trust for the benefit of each respective parish. There are some exceptions to this form of tenure described below in 203.4.4.

Certain parishes held by the Corporation Sole are entrusted by the Archbishop of Chicago to a clerical religious institute or to a clerical society of apostolic life with the consent of the competent religious superior. (c. 520). All such administrators of a parish are bound to take care that the ownership of ecclesiastical goods is protected by civilly valid methods. (c. 1284, §1, 2. The real and personal property interests of such parishes are held, for civil law purposes, in the same manner as the property interests of other parishes, and administration of the parish's temporal goods is generally subject to the policies of the Archdiocese.

203.4.1. Legal Title to Parish Real Property. As trustee, the Corporation Sole is vested with legal title to the real property and real property interests of parishes within the Archdiocese of Chicago and to all rents, incomes or profits therefrom and to all additions and accumulations thereto. Such real property interests are held by the Corporation Sole:

- (1) In a trust for the benefit of each respective parish and
- (2) Subject to any other restrictions of any kind related to particular gifts, grants, bequests, devises or conveyances of real property interests.

Such real property interests are reported in the Inventory of Parish Real Property Interests described in §203.4.3.

203.4.2. Legal Title to Parish Personal Property. As trustee, the Corporation Sole is vested with legal title to certain personal property of parishes within the Archdiocese of Chicago, including certain financial assets comprising parish endowment funds, parish educational endowment funds, and other capital or restricted funds. Such personal property interests are held by the Corporation Sole:

- (1) In a trust for the benefit of each respective parish and
- (2) Subject to any other restrictions of any kind related to particular gifts, grants, bequests, devises or conveyances of real property interests.

Such personal property interests are reported in the Inventory of Parish Personal Property Interests described in §203.4.3.

203.4.3. Inventories of Parish Real and Personal Property Interests Held in Trust. The Corporation Sole shall maintain an Inventory of Parish Real Property Interests, and an Inventory of Parish Personal Property Interests. Such Inventories may exist from time to time in paper or electronic forms, as such records may be maintained in the ordinary course of business by the Archdiocesan Office of Finance or any successor organization. Such Inventories shall be amended from time to time to reflect parishes created, merged, consolidated or suppressed, real estate interests acquired or divested, acquisition or divestiture of intangible assets, changes in the value and structure of accounts, otherwise to reflect changes over time in the assets held in trust by the Corporation Sole. The inclusion in or omission from such Inventory at any point in time of any parish, or of any particular property or property interest, or of any restriction or encumbrance related to any particular property or interest, shall not be dispositive of the legal status of such parish, property, or interest, which may be determined by reference to other Archdiocesan and civil records.

203.4.5. Change in Parish Status. The Archbishop of Chicago may, subject to the requirements of canon law, create, merge, consolidate or suppress a parish. In the event of merger, consolidation or suppression, the property of the parish, including any real or personal property whether held directly by the parish or in trust by the Corporation Sole or any other person, shall be distributed to other parishes or ecclesial functions of the Catholic Church as provided in canon law, provided that no distribution shall be inconsistent with the provisions of §203.2.2.

203.4.6. Certain Parish Assets Distinguished. Real property interests related to certain parishes located within the geographic Archdiocese of Chicago are held by clerical religious institutes or clerical societies of apostolic life, commonly referred to as religious orders, subject to general canon and civil law, including donor restrictions on assets held by the religious order in trust for the use of the parish or other community organization. Real property interests of these parishes are not aggregated with assets of the Corporation Sole, including for purposes of financial reporting. These parishes are

identified as such in the Inventory of Parish Real Property Interests. Depending upon individual parish circumstances:

- (1) Personal property interests may be held by the Corporation Sole in the manner of other parishes, or may be held otherwise by the sponsoring religious order, subject to general canon and civil law, including donor restrictions.
- (2) The parish may remit assessments to the Corporation Sole in the manner of other parishes and may be eligible to receive services and to participate in programs of the Corporation Sole.

203.5 Services to Parishes and Other Ecclesial Functions

The Corporation Sole provides support services to the Curia, to other apostolates of the Archdiocese, to parishes and to certain other ecclesial functions. These services are financially supported in part by parish taxes, levied pursuant to canon law (c. 1263) and by other fees and contractual arrangements. The general scope of services and manner of delivery is currently indicated in published Archdiocesan Policies and Procedures, including particularly Book II ("The People of God") and Book V ("The Temporal Goods of the Church").

As trustee, the Corporation Sole holds both the real estate and certain financial assets of parishes and certain other ecclesial functions. At present, the financial assets subject to this trust are maintained at a regulated financial institution under agreements specifying the funds and accounts to be maintained, including a Parish Endowment fund. The Corporation Sole has the civil law powers and responsibilities of a trustee as to assets held in trust; because the Corporation Sole is controlled by the Archbishop of Chicago, it is also, in practice, observant of canon law requirements for management of temporal goods of the Archdiocese, the parishes, and other public juridic persons whose goods may be affected.

203.5.1. Services Generally.

203.5.1.1. General Services to Parishes. The Corporation Sole provides various services to parishes as specified in Archdiocesan policies in effect from time to time. These include (without limitation):

- (1) Financial management services, including centralized financial depository and investment services.
- (2) Trustee services, as more fully described in §203.5.2 below.
- (3) Insurance and risk management services.
- (4) Purchasing services.

- (5) Real estate management services, including construction management and support.
- (6) Accounting and legal services.
- (7) Personnel management services and support, including parish employee benefit programs.

These services, and requirements and restrictions on them, are more fully set forth in published Archdiocesan Policies and Procedures, as these may be amended from time to time.

203.5.1.2. General Services to Ecclesial Functions. The Corporation Sole may provide some or all of the services enumerated above, or other services, to ecclesial functions of the Catholic Church, whether or not separately incorporated, on financial or other terms to be negotiated from time to time.

203.5.2. Trustee Services. The Corporation Sole, as trustee, holds certain real and personal property in trust for the benefit of individual parishes, as described in §203.4, or for the benefit of other ecclesial functions. Subject to its duty as trustee to act in the interests of the parish or other ecclesial function, the Corporation Sole shall have, without authorization from any court, all powers otherwise granted to fiduciaries by law and specifically the powers:

- (1) To sell, exchange or grant options to purchase any property at public or private sale, for cash or on credit.
- (2) To exercise all powers of an individual owner with respect to securities, partnership interests and other investments, including exercising stock options, voting, giving or receiving proxies, entering into voting trusts or shareholder, buy-sell or other stock restriction agreements, participating in mergers, acquisitions, foreclosures, reorganizations or liquidations, and exercising or selling subscription or conversion rights.
- (3) To pay taxes, including interest and penalties, and reasonable expenses incurred in administering and distributing the trust.
- (4) To employ, with or without discretionary powers and with reasonable compensation, attorneys, accountants, investment counsel, managers and other agents.
- (5) To contest, prosecute, compromise, release or abandon claims, including taxes and interest and penalties thereon, or other charges in favor of or against the trust.

- (6) To receive additional property from any source and, unless directed otherwise, to hold, administer and distribute such property as part of the trust estate.
- (7) To invest in or hold undivided interests in personal property, to make joint investments for any two or more personal property trusts, crediting each trust with an undivided interest in such investment in proportion to its contribution, and to consolidate or merge any separate trust hereunder with any other trust ,or with any religious or not-for-profit corporation, that may be established by the Corporation Sole, or with any other person having substantially similar provisions for the same beneficiary, if the Corporation Sole determines that such merger or consolidation is in the best interests of the beneficiaries of the trust; this section does not confer any additional powers over real estate held in trust.
- (8) To acquire, invest, reinvest, exchange, retain, sell and manage principal and, pending distribution or accumulation, income in every kind of property, real or personal or mixed, and every kind of investment.
- (9) To establish, increase, decrease, discontinue or re-establish reasonable reserves for obsolescence, depreciation, depletion or the like for property which is subject to the creation of such reserves under generally accepted accounting principles.
- (10) To distribute assets in kind using date of distribution values or in cash or both, and to distribute different kinds or disproportionate shares of assets to the various trusts and beneficiaries, irrespective of the income tax basis of such assets and without adjustment for variations in such basis, and for that purpose to value assets divided or distributed in kind.
- (11) To exercise every power, including the right to defer or make installment payments of any taxes due to any unit of federal, state, or local government, to value assets according to a special use, and to deduct expenses from either income or principal in computing such taxes (no adjustments between income and principal or between different beneficiaries shall be made to compensate for the effect of any election).
- (12) To cause securities and other investments, real or personal or mixed, to be registered and held in the name of a nominee without mention of the trust in any instrument or record constituting or evidencing title thereto. The Corporation Sole shall not be liable for the acts of nominees selected in good faith.

- (13) To rely upon a court order, certificate, affidavit, letter or other evidence reasonably believed to be genuine, and on the basis of any such evidence to exercise any power or make any payment, distribution, or reimbursement. These provisions shall protect the Corporation Sole from liability for actions taken in good faith, but shall not affect any rights that a taker in default, or other beneficiary may have against persons to whom distributions are erroneously made.
- (14) To continue or enter into any business and participate in its management, directly or indirectly, with appropriate compensation from the business, even though the Corporation Sole may also have an interest in the business, to enter into new partnerships, corporations or other entities, to participate in securities offerings, to increase or decrease the investment in the business, to make secured or unsecured loans to the business or to pledge property for debts of the business, to waive the filing by the surviving partners of any partnership inventory, appraisal, account, bond or security, to make all decisions and exercise all powers with respect to the business that the Corporation Sole could exercise if the Corporation Sole were the individual owner.
- (15) To do all other acts relating to investment, management, disposition and control of property which shall be advisable for the proper and advantageous management of the trust.

203.5.3. Financial Matters

203.5.3.1. Assessment. The Archbishop of Chicago, acting through the Corporation Sole, may levy a reasonable periodic tax or assessment on parishes or other ecclesial functions, subject to the limitations of canon law.

203.5.3.2. Expenses attributable to a parish. Expenses incurred by the Corporation Sole for the benefit of a particular parish, including fees for legal services and auditing services rendered to the Corporation Sole, insurance premiums and assessments, investment expenses, and all other proper charges and expenses of the Corporation Sole and of its agents and counsel, are ordinarily paid by such parish.

203.5.3.3 Governmental Fees. All civil taxes or governmental fees or charges of any and all kinds that may be levied or assessed under existing or future civil laws upon the property being held in trust for a particular beneficiary parish, or the income thereof, are ordinarily paid or reimbursed by such parish, as provided more specifically in other Policies and Procedures of the Archdiocese.

203.5.3.4. Financial Reporting. The Archbishop of Chicago, on behalf of himself and the Corporation Sole, shall publish each year a financial report setting forth

the financial performance and position of the parishes and indicating the real and personal property assets held on account of the offices of the Curia, the parishes, and other ecclesial functions affiliated with the Corporation Sole that may be included as appropriate under applicable professional accounting standards. The Archbishop shall also observe the financial reporting standards of canon law.

203.6 Other Provisions

The section includes various provisions for the civil law operation of the Corporation Sole. It does not set forth, or affect, various canonical relationships that control the operation of the Church, such as the canonical authority of the Vicar General, requirements for process or consultation, and other standards that affect the actions of canonical entities.

203.6.1. Manner of Acting

203.6.1.1. Generally. The Corporation Sole may take action by decree duly executed by the Archbishop of Chicago, or by such other duly executed instrument or action as the Archbishop of Chicago may determine to be necessary and sufficient. Insofar as the Corporation Sole acts through the Archbishop of Chicago or other persons authorized to act under canon law, those persons shall also act in accordance with the provisions of canon law.

203.6.1.2. Delegation of Authority; Attorney-in-Fact. The Archbishop of Chicago, acting on behalf of himself and the Corporation Sole, may from time to time in his discretion delegate authority to conduct any specified part of the affairs of the Corporation Sole to any person or person.

As appropriate to the circumstances, this delegation may be effected by appointment of an attorney-in-fact, by instrument in writing executed by Archbishop of Chicago, as the Corporation Sole, delegating authority to conduct all or any specified part of the affairs of the Corporation Sole to any person or persons duly named in said instrument, and any contracts, notes, deeds, or other instruments of encumbrance or conveyance that may affect real or personal property, shall be valid when executed by such attorney-in-fact. Such instrument may be recorded with the Recorder of Deeds in any appropriate local jurisdiction.

203.6.1.3. Succession. In the event of the death or resignation of the Archbishop of Chicago, an Administrator shall be appointed in the manner provided by canon law, and upon presentation of a duly executed certificate of appointment, such Administrator shall have all the powers, rights, and responsibilities of the Corporation Sole, including the powers to act on behalf of the corporation, and to delegate authority by appointment of attorneys-in-fact. Such Administrator shall serve in that capacity until appointment of a successor Archbishop of Chicago, in the manner provided by canon law, and the

execution and filing by the Archbishop of the statement of office in the manner specified by the laws of Illinois. Upon such filing, the successor Archbishop shall assume the capacity of Corporation Sole.

203.6.2. Administrative Recourse. In the event of any dispute arising from the interpretation or administration of these Bylaws, any matters shall first be presented for resolution to the authorities, and under the procedures, provided by canon law, including alternative dispute resolution provisions of c. 1733 *et. seq.*

203.6.3. Amendment. The Archbishop of Chicago, in his capacity as The Catholic Bishop of Chicago, a corporation sole, and subject to any requirement of canon law, may amend or modify these Bylaws at any time and from time to time. However, no such amendment or modification shall adversely affect the beneficial interests of the parishes.

203.6.4. Interpretation. Insofar as these Bylaws are interpreted or applied by civil courts or other civil authorities, or for purposes of determining rights under civil law, they shall be governed by and construed in accordance with the laws of Illinois. Insofar as they may be interpreted or applied by ecclesiastical authorities, or for purposes of determining processes or doctrines of the Church, these Bylaws shall be construed and administered in accordance with the commonly accepted rules for interpretation of doctrine and canon law of the Roman Catholic Church.

203.6.5. Severability. These Bylaws shall be liberally construed to effect the purposes of the Corporation Sole. In the event that any provision of these Bylaws is held to be invalid or unenforceable at civil law, it shall not affect the remainder of the Bylaws provided that the stated purposes of the Bylaws can be observed.