

**AGREEMENT ESTABLISHING
MIAMI VALLEY UNITARIAN FELLOWSHIP
ENDOWMENT FUND**

The Miami Valley Unitarian Fellowship (the "Fellowship"), a nonprofit corporation incorporated under the laws of the state of Ohio, has by a two-thirds vote of those of its membership (the "Membership") present and voting on this 14th day of June, 1992, created and established an endowment and memorial gift trust fund to be held in trust for the benefit of the Fellowship and managed, invested, and disbursed as provided in this agreement.

I. NAME AND PURPOSES

1.01. **Name.** For the purposes hereafter stated, the endowment and memorial gift fund hereby created shall be known as The Miami Valley Unitarian Fellowship Endowment Fund (the "Fund").

1.02. **Purposes.** The general purpose of the Fund is to further augment the principles, objectives, program and purposes of the Fellowship by providing a suitable receptacle for receipt, management, investment and distribution for the benefit of the Fellowship of gifts for memorial or other purposes, where the intent of the donor, testator or testatrix (collectively, "donor") is to make a lasting contribution to the Fellowship.

II. FUND PROPERTY

2.01. **Fellowship Fund Property.** All property transferred to the Fund or to the Fellowship for endowment purposes shall be turned over and held by the Endowment Trustees pursuant to this agreement and shall be managed, invested and disbursed as provided hereinafter.

2.02. **Property and Funds.** The Endowment Trustees shall receive such funds and property as may be tendered to the Fund from any source. No such gift shall be accepted unless it is irrevocable and unconditional and will inure to the sole benefit of the Fund and the Fellowship and not to any private individual. The Endowment Trustees may decline to accept any gift which in their opinion would not be of benefit to the Fund.

2.03. **Restrictions by Donors.** Gifts may be in money or in property, and donors may impose reasonable restrictions on the use or investment of tendered gifts. However, the Endowment Trustees may decline to accept any

However, the Endowment Trustees may decline to accept any tendered gift which is subject to restrictions which, in their opinion, are not consistent with the principles of the Fund or the Fellowship or the tax exempt status of the Fund or, are not practical to comply with and administer.

III. PAYMENTS FROM FUND

The Endowment Trustees shall pay operating expenses of the Fund from the net unrestricted income of the Fund, but may allocate a reasonable portion of the restricted income of the Fund to the expenses incurred by the particular restricted assets from which it is derived. Otherwise, all restricted income and principal of the Fund shall be applied in accordance with the applicable restrictions. The Endowment Trustees shall make the following disbursements from the Fund in accordance with the following directives and restrictions:

3.01. **Unrestricted Net Income.** No more often than once in any fiscal year of the Fellowship, the Board of Trustees of the Fellowship (the "Board"), by a majority vote of the Trustees present and voting at a regular or special meeting, may request the Endowment Trustees to pay over to the Fellowship all or any part of the unrestricted net income from the Fund and use it for such purposes of the Fellowship which have been approved by the Board. If any part of such realized income is not reasonably subject to immediate withdrawal from a particular investment in which it is held, the Endowment Trustees may delay delivery of such income to the Board until it may reasonably be withdrawn. In determining the amount of such withdrawals, the Board is requested to take into account the impact of inflation on the economic (as opposed to monetary) value of the principal of the Fund and the fact that during periods of inflation, the stated income of the Fund as determined by trust accounting principles will usually exceed the economic income of the Fund.

3.02. **Unrestricted Principal.** No more than once in any fiscal year of the Fellowship, the Membership may request the Endowment Trustees to pay over to the Fellowship any part of the unrestricted principal of the Fund for application for such specified purpose or purposes of the Fellowship as the Membership shall direct. Because of the gravity of such a withdrawal and its impact upon the Fund and those who have made contributions to it in reliance on its lasting character, such request shall be deemed to be effectively made only

if a two-thirds majority of those of the Membership present and voting at each of two properly called meetings of the Membership, either annual or special, within such fiscal year, the second of which is held no less than sixty days after the first, shall approve such request and designate such purpose or purposes. If any part of such principal of the Fund is not subject to immediate withdrawal from a particular investment in which it is held, the Endowment Trustees may delay delivery of such principal to the Board until it may be reasonably withdrawn.

3.03. **Manner of Payment.** The Endowment Trustees will deliver the funds requested under Paragraphs 3.01 and 3.02 by check to the Treasurer of the Fellowship as promptly as practical.

3.04. **Restricted Portions.** Portions of the Fund representing or derived from gifts will be used in accordance with the instructions of the donors. The Endowment Trustees shall interpret those instructions and shall advise the Board of the restricted use when releasing any such portions of the Fund to it.

3.05 **Undistributed Income Added to Principal.** Any net income of the Fund not withdrawn or requested to be withdrawn by the Board within any fiscal year of the Fellowship shall be added to and become part of the principal of the Fund on June 30 of each year.

IV. POWERS OF ENDOWMENT TRUSTEES

The Endowment Trustees shall have the following powers, in addition to all powers granted to trustees of an express trust by Ohio law which are not in conflict herewith:

4.01. A primary responsibility of the Endowment Trustees shall be to protect the assets of the Fund, and to ensure that any funds appropriated for use by the Fellowship are done so in a manner consistent with the By-Laws and in compliance with any terms, provisions or stipulations that were original conditions of acceptance of funds by the Fellowship.

4.02. Assets may be placed under the control of the Endowment Trustees either: (a) directly, such as by means of bequests or donations to the Fund; or (b) indirectly, as when assets controlled by the Board are transferred to the Fund. The Board, however, retains the

ultimate authority to accept or reject any bequests or donations.

4.03 Although the Endowment Trustees shall have full authority to invest Fund assets in whatever manner it deems appropriate, a general guideline shall be to restrict such investments to common financial instruments such as stocks, bonds, mutual funds, Treasury bills, commercial paper, options, etc., and to avoid non-liquid investments such as real estate, jewelry, antiques, etc.

4.04. Investments shall be based on a policy of seeking to maximize total return (income and capital gains) while maintaining a high degree of safety of principal.

4.05. **Settlement.** The Endowment Trustees are authorized to settle, compromise, contest, prosecute or abandon claims in favor or against the Fund as they may deem advisable. For such purposes the Endowment Trustees may execute and deliver all proper and necessary instruments and may give full receipts and discharges. The Trustees shall also procure casualty and liability insurance for such assets and in such amounts as they may deem appropriate.

4.06. **Bank Accounts.** The Endowment Trustees may establish one or more bank accounts. In establishing such accounts it shall be made a condition for drawing checks thereon that such checks for an amount in excess of \$100.00, or such higher amount as may from time to time be established by majority vote of the Board, shall be valid only if signed by any two of the Endowment Trustees.

4.07. **Principal and interest.** The Endowment Trustees shall allocate receipts and disbursements to principal or income in accordance with reasonable trust accounting principles in the absence of specific provision herein.

4.08. **Counsel, etc.** The Endowment Trustees are authorized to employ counsel when necessary, and to employ such other agents, accountants, brokers, custodians of property and investment counselors which, in the judgment of the Endowment Trustees, may be required.

4.09. **Ethical Principles.** In investing the assets of the Fund, the Endowment Trustees shall always keep in mind the ethical principles associated with the Fellowship and the Unitarian Universalist Association and

shall not make or retain any investments which, in their best judgment, based on information reasonably available to them, would be inconsistent with such principles.

4.10. **Fiscal Year.** The fiscal year of the Fund shall be from July 1 to June 30.

V. ENDOWMENT TRUSTEES

5.01. **Qualifications.** The Endowment Trustees shall be three in number, all of whom shall be at least eighteen years of age, and all of whom shall be voting members of the Fellowship, and none of whom shall be members of the Board or other governing body or members of the paid staff of the Fellowship.

5.02. **Initial Trustees.** The initial Endowment Trustees shall be nominated by the Board and elected by the membership. They shall serve, as designated, for terms of one, two and three years. Terms of the office will expire on June 30 of the designated year.

5.03. **Successor Trustees.** Annually, at the January meeting of the Fellowship a successor will be elected to a three year term beginning July 1 immediately following to replace the Endowment Trustee whose term expires the following June 30. Endowment Trustees shall be determined by the same procedure used to select candidates for the Board. Endowment Trustees shall serve for no more than two consecutive terms. The Board may designate a member of the Board as a non-voting ex officio member of the Trustees.

5.04. **Removal of Endowment Trustees.** Any Endowment Trustee may be removed by vote of two-thirds of the members of the Board at any regular meeting of the Board or any special meeting called for the purpose. The Board shall acquire jurisdiction to remove one or more of said Endowment Trustees only after a written notice of such intention shall have been served on the Endowment Trustees at least ten days before said meeting.

5.05. **Vacancies.** Any vacancy occurring for any reason in the office of Endowment Trustee shall be filled by the Board for a term extending to the next June 30 following the next annual meeting of the Fellowship at which the vacancy can be legally filled by the Membership. Any remaining period of such term shall be filled by the Membership at such meeting pursuant to Paragraph 5.03.

5.06. **Bonding of Endowment Trustees.** The Endowment Trustees may be appropriately bonded at the expense of the Fund if the Board, by majority vote, imposes such requirement and sets the amount and term of such bond.

VI. PROCEDURES OF THE ENDOWMENT TRUSTEES

6.01. **Procedures.** The Endowment Trustees shall elect a Chairperson. All matters requiring a decision by the Endowment Trustees shall be decided by a majority vote. They shall meet at such times and places as they shall themselves determine.

6.02. **Reports.** The Endowment Trustees shall keep books of account showing all transactions relating to the Fund and shall make a written report to the Fellowship to be presented to the semi-annual congregational meeting. They shall make any such other reports as may be requested by the Board. The Trustees' reports will reflect the composition of the portfolio, its performance and the disposition of income and expenses.

VII. AMENDMENT; TERMINATION

7.01. **Amendment.** It is intended that this shall be a permanent trust. It may, nevertheless, be amended in the manner in which it was created. No amendment, however, shall in any manner affect the general purposes of this Fund, as provided in Paragraph 1.02 of this agreement, adversely affect the status of the Fund as a tax-exempt organization supporting a Church as defined in the Internal Revenue Code, or relax in any manner the requirement for protection of principal set forth in Paragraph 3.02.

7.02. **Consolidation or Termination.** In the event the Miami Valley Unitarian Fellowship is merged into or consolidated with any other religious group, organization or denomination, or in the event of any change in its name or organizational structure, the Fund shall follow and be for the benefit of the successor or continuing organization or body, if such successor is then a church exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as it may be amended. In the event the Fellowship ceases operation and none of the contingencies stated immediately above take place, the entire principal of the Fund and any undistributed income shall be distributed to the Unitarian Universalist Association, if that organization is then exempt from

income tax under Section 501(c)(3) of the Internal Revenue Code or, if it is not, to such organization or organizations which are then so exempt as shall be selected by the Endowment Trustees.

IN WITNESS WHEREOF, the Membership has caused this agreement to be signed by the President of the Board of Trustees on the date specified above. The initial Endowment Trustees have also executed this agreement to evidence their respective consents to carry out the duties of trustee as provided herein for the period specified.

Holley H. Wilkes
President

Adel R. Bollhaus
Endowment Trustee

William R. Wilke
Endowment Trustee

Rebecca A. Cochran
Endowment Trustee