

**ENDOWMENT FUND OF THE FIRST UNITARIAN CHURCH
OF SALT LAKE CITY, UTAH**

This Endowment Fund of the First Unitarian Church of Salt Lake City, Utah is adopted and made effective this ____ day of _____, 2005, by the members of the First Unitarian Church of Salt Lake City, Utah (the "Church") and the Board of Trustees for the Church pursuant to resolution and vote as certified on Appendix A, which is attached hereto and incorporated by reference.

**ARTICLE I
NAME**

The name of the Fund shall be the Endowment Fund of the First Unitarian Church of Salt Lake City, Utah (referred to herein as the "Fund").

**ARTICLE II
PURPOSE**

The primary purpose of the Fund is to provide annual distributions to support the mission of the Church beyond what would otherwise be possible, and, secondarily, to provide a reserve for the Church to be used in times of emergency. The Fund may receive and administer gifts, donations, conveyances, bequests, estates, and other assets (referred to collectively as "Donations") transferred to the Fund or the Church and where such Donations are intended for the benefit of the Church. At all times, the Fund shall be subject to the Church's governing documents.

**ARTICLE III
CONGREGATION APPROVAL**

All matters requiring approval or action by the Church's members (the "Congregation") in connection with the Fund shall be subject to the requirements set forth in this Article III. For any matter requiring the approval or action of the Congregation with respect to the Fund, two-thirds of a quorum (as that term is defined in the Church's Bylaws) of the Church's members must approve such matter or action and all other requirements of Article V of the Church's Bylaws governing Congregational meetings must be met.

**ARTICLE IV
FUND COMMITTEE**

The Fund shall be administered by a committee (the "Fund Committee"), which shall be responsible to the Church's Board of Trustees (the "Board") and the Congregation.

A. Fund Committee Members. The Fund Committee shall consist of at least three (3) members, and up to no more than five (5) members, of the Congregation, all of whom shall be voting members of the Congregation as provided for in the Church's Bylaws. The Fund Committee members shall be appointed by the Board and approved by the Congregation.

B. Term. Except as otherwise provided herein, a Fund Committee member shall serve for three (3) years.

C. Initial Fund Committee Members. Upon adoption and approval of the Fund by the Church and its Congregation, the first duly appointed and approved Fund Committee member shall serve for a term of one (1) year only. The second duly appointed and approved Fund Committee members shall serve for terms of two (2) years only. All other Fund Committee members shall serve for three years. When a fourth or fifth member of the Fund Committee is appointed to serve as provided for herein, the duration of their initial terms shall be determined by the other members of the Fund Committee provided that, however, such initial terms shall not be longer than three years.

D. Consecutive Terms. No Fund Committee member shall serve more than two (2) consecutive three-year terms.

E. Fund Committee Vacancies. In the event of a vacancy on the Fund Committee, the Board shall appoint a member of the Congregation to fill the vacancy until the next annual meeting of the Congregation, at which time the Congregation shall have the opportunity to approve the replacement member or request that a new member be appointed.

F. Meetings. The Fund Committee shall meet at least quarterly, or more frequently as it deems in the best interest of the Fund.

G. Vote. At least three Fund Committee members must approve all actions of the Fund Committee.

H. Quorum. Three (3) members of the Fund Committee constitute a quorum and no action may be taken by the Fund Committee unless a quorum is present. Fund Committee members may appear by telephone or other electronic communication methods when necessary.

I. Fund Committee Officers. The Fund Committee shall elect from its membership a "Chairperson", a "Financial Secretary", and a "Recording Secretary".

(i) The Chairperson, or other Fund Committee member so designated by the Chairperson, shall preside at all Fund Committee meetings.

(ii) The Recording Secretary shall maintain complete and accurate minutes of the Fund Committee's meetings and supply a copy thereof to each Fund Committee member and to the Board's president.

(iii) The Financial Secretary shall maintain or cause to be maintained complete and accurate books and records for the Fund as required herein.

J. Rules and Regulations. The Fund Committee shall establish written rules, policies, or procedures as may be necessary for the conduct of its business.

K. Advisors. The Church's minister along with one Board member shall have the right to attend all of the Fund Committee's meetings and shall serve as non-voting advisors to the

Fund Committee. The Fund Committee may also request that other members of the Congregation serve as non-voting advisory members.

L. Conflict of Interest. No Fund Committee member shall engage in any transactions or matters pertaining to the Fund in which the Fund Committee member has a direct or indirect financial interest. Each Fund Committee member shall at all times refrain from any conduct in which his/her personal interest would conflict with the Fund's best interests.

M. Removal. Any Fund Committee member may resign for any reason by giving the Chairperson written notice. Either the Congregation or the Board shall have the authority to remove a member from the Fund Committee. The Congregation may remove a Fund Committee member upon approval of the Congregation. The Board may remove a Fund Committee member by a two-thirds (2/3) vote of all members of the Board.

ARTICLE V FUND MANAGEMENT

A. Donations. The Fund Committee may receive Donations to the Fund from any individual, corporation, organization, entity, or person, in the form of cash or other property acceptable to the Fund Committee. The Fund Committee shall have full authority to reject any Donations that are deemed to be inconsistent with the purposes of the Fund or the Church.

B. Church Assets. All assets in the Fund shall be kept and maintained separate, distinct, and independent from the Church's assets.

C. Books and Records. The Fund Committee shall maintain complete and accurate books and records for the Fund and may employ such professional help as it deems necessary.

D. Audit. The books and records for the Fund shall be audited at least bi-annually by a certified public accountant or other independent qualified person or organization.

E. Investment of Funds. The principal amount allocable to any Donations in the Fund and all income and proceeds therefrom shall be held, managed, invested, and re-invested prudently in order to earn a reasonable rate of return. Investment decisions shall be made by taking into account the importance of the Fund's safety, the present and anticipated financial requirements of the Fund, the expected total return on the Fund's assets, market trends, and general economic conditions, among other relevant considerations. The Fund Committee may utilize professional investment management services, such as a bank trust department or other professional money management services.

F. Annual Distribution from the Fund. The Fund Committee may determine and make an annual distribution from the Fund (either from principal or income) to the Church in an amount not to exceed five percent (5%) of the average fair market value of the Fund over the previous thirteen quarters (hereinafter referred to as the "Annual Distribution"). The Board will then entertain written proposals from the Congregation as to how the Annual Distribution should be used to support the mission of the Church. The Board will make final recommendations to the Congregation as to how the Annual Distribution shall be used, which such uses must be approved by the Congregation. It is intended that none of the Annual Distribution shall be used

to balance the Church's annual operating budget; however, all or part of the Annual Distribution may be used to balance the Church's annual operating budget if approved by the Congregation.

G. Discretionary Distributions from the Fund. The Fund Committee may make other distributions from the Fund (either from principal or income) in such amounts and for such purposes as have been approved by the Congregation and as approved by the Board.

H. Restrictions on Distributions. All distributions from the Fund shall be subject to the restrictions, conditions, or limitations governing any of the individual Donations.

I. Segregation of Fund Assets. The Fund Committee shall not be required to physically segregate Donations to the Fund but may establish separate accounts in the Fund's books and records for each of the Donations.

J. Reports. At each annual meeting of the Congregation, the Fund Committee shall submit a full and complete accounting of the administration of the Fund during the preceding year. The Fund Committee shall also provide quarterly reports to the Board in the manner and form designated by the Board.

ARTICLE VI FUND COMMITTEE POWERS

In the administration of the Fund, the Fund Committee shall have all powers and authority necessary to carry out the purposes of the Fund:

(i) To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest and in all other respects to handle and manage and control the Fund, or any part thereof, as they in their judgment and discretion shall deem wise and prudent.

(ii) To retain any property in the form in which received; to convert and reconvert the Fund, or any part thereof, into other kinds and forms of property, real or personal or mixed; and to invest or reinvest the Fund's assets as the Fund Committee shall deem wise and prudent, including in such common or preferred stock, bonds, debentures, mortgages, notes or other securities, investments or property whether real or personal, which in the Fund Committee's absolute discretion may select or determine, and including, without limitation, savings deposits of any bank, mutual savings bank, federal home loan bank or savings and loan association, or in any common trust fund, mutual fund or any like fund, subject to the usual standards of prudence required of trustees of similar funds.

(iii) To receive the income, profits, rents and proceeds of the Fund and to collect and receipt for the same, and pay all administrative and necessary expenses in connection with it. All expenses are to be paid from the Fund's income.

(iv) To make, execute and deliver all instruments necessary or proper for the accomplishment of the Fund's purposes, including, but not limited to, deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, and settlements.

(v) To determine what is principal and income according to applicable accounting principles.

(vi) To commingle the Donations and administer such Donations as a single fund, so long as the Fund's books and records, at all times, accurately reflect the receipts and disbursements properly allocable to each of the Donations in the Fund.

(vii) To hold investments in the name of the Fund and to sign checks and all other necessary documents on behalf of the Fund.

(viii) To employ and reasonably compensate from the Fund's income, accountants, agents, and attorneys to assist and advise in the execution of the Fund, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed.

(ix) No Fund Committee member shall be personally liable as long as he or she acts in good faith and with ordinary prudence in discharging the duties of his or her office. Each Fund Committee member shall be liable only for his or her own willful misconduct or omissions in bad faith. No Fund Committee member shall be liable for the acts or omissions of any other Fund Committee member, or of any accountant, agent, attorney or custodian selected with reasonable care.

(x) The Fund Committee members shall not receive any compensation but may be reimbursed from the Fund's income for expenses reasonably incurred.

ARTICLE VII AMENDMENT

The Fund may not be altered or amended except upon approval by the Congregation.

ARTICLE VIII TAX EXEMPT STATUS

Any Donations given to the Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. No part of the income or property of the Fund shall inure to the benefit or be distributable to any member, director or officer of the corporation or to any private person, except that the Fund Committee is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the Fund shall be the carrying on of the propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. The Fund shall not carry on any other activities not permitted to be carried on by (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or any subsequent corresponding provisions of the future United States Internal Revenue law) or (b) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal

Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law).

**ARTICLE IX
DISSOLUTION**

The Fund shall continue in perpetuity until such time as the Fund may be dissolved by the Congregation and in accordance with the laws of the State of Utah. The Fund shall also be dissolved if for any reason the Church ceases to exist. Upon dissolution of the Fund, and after the payment of all liabilities, obligations, costs and expenses incurred by the Fund, any and all remaining assets in the Fund shall be distributed to such entities, in consultation with the Board and the Unitarian Universalist Association, which are organized and operated exclusively for one or more purposes described in Section 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1986, as amended.

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APPENDIX A

CLERK'S CERTIFICATE

I hereby certify that the foregoing Endowment Fund of the First Unitarian Church of Salt Lake City, Utah was duly submitted to the congregation of the First Unitarian Church of Salt Lake City, Utah (the "Church") at a meeting held on the ____ day of _____, 2005, and was duly approved and authorized by two-thirds (2/3) of a quorum of members, as that term is defined in the Church's Bylaws, and in accordance with all other requirements of the Church's Bylaws.

DATED this ____ day of _____, 2005.

By: _____
Clerk of the Board of Trustees for the First
Unitarian Church of Salt Lake City, Utah

I hereby certify that the foregoing Endowment Fund of the First Unitarian Church of Salt Lake City, Utah was duly submitted to the Board of Trustees for the First Unitarian Church of Salt Lake City, Utah (the "Board") at a special meeting held on the ____ day of _____, 2005, and was duly approved and authorized by the Board

DATED this ____ day of _____, 2005.

By: _____
Clerk of the Board of Trustees for the First
Unitarian Church of Salt Lake City, Utah