

**RESOLUTION RELATING TO THE TRANSFER OF FUNDS
TO THE ENDOWMENT FUND**

**APPROVED BY THE BOARD OF TRUSTEES
OF FIRST UNITARIAN CHURCH
SEPTEMBER 7, 2010**

WHEREAS, the Church received a donor restricted gift in Fiscal Year 1982 and a second donor restricted gift in Fiscal Year 1992 both from Margaret Embshoff (the "Restricted Gifts") with respect to which the donor expressed the desire to preserve and invest the gift to attempt to produce income to be used primarily to provide funds for the purchase of flowers for the children and youth of the Church as part of an annual Church service, and, secondarily, for religious education for the children and youth of the Church (the "Restricted Purposes");

WHEREAS, the Church historically maintained the Restricted Gifts in a separate fund entitled the "Embshoff Fund" and used the income consistent with the Restricted Purposes;

WHEREAS, the Church determined to combine the Embshoff Fund with certain other funds into a new "Religious Education Fund" and continued to use the original amount of the Restricted Gifts for the Restricted Purposes;

WHEREAS, pursuant to the First Unitarian Church Amended and Restated Agreement Concerning the Endowment Fund, dated as of January 31, 2007 (the "EF Agreement"), the First Unitarian Church Endowment Fund (the "Endowment Fund") holds and invests, and otherwise deals with, certain long term funds and legacy gifts pursuant to the EF Agreement for the benefit of the Church;

WHEREAS, the monies held by the Endowment Fund are professionally managed pursuant to a written investment policy supervised by the Endowment Fund Trustees, for the long term benefit of the Church;

WHEREAS, the Endowment Fund is an effective and efficient repository of long term and legacy gifts for the long term benefit of the Church, and pursuant to the EF Agreement, is the preferred financial steward of such gifts and funds;

WHEREAS, pursuant to Article III, Sections 1(c), 2 and 4 of the EF Agreement, the Endowment Fund is expressly permitted to receive transfers from the Church as directed by the Church Board of Trustees, and pursuant to Article IV, Section 6 of the EF Agreement, in the discretion of the Endowment Fund Board, the Endowment Fund Board is expressly authorized to establish new accounts within the Endowment Fund, each with specified purposes and restrictions; and

WHEREAS, the Church, acting through its Board of Trustees, has thoroughly reviewed the matter and has concluded that it is in the best long term interest of the Church and consistent with the Restricted Purposes that the Restricted Gifts be transferred to the Endowment Fund and held and administered pursuant to the terms of this resolution.

NOW, THEREFORE, the Church Board hereby resolves and determines as follows:

1. The Church hereby requests that the Endowment Fund Trustees accept a transfer of \$10,600 from the Church, and hold, invest and make disbursements pursuant to the terms of this Resolution.

(A) The Endowment Fund Trustees establish a new separate account entitled the "Religious Education Account."

(B) The assets allocated to the Religious Education Account shall initially consist of the transfer of the \$10,600 of Restricted Gifts (the "Minimum Value") and any gifts or transfers received by the Endowment Fund specifically directed to the Religious Education Account, plus all investment income, net of all investment losses, allocated to the Religious Education Account, minus all disbursements and expenses allocated to the Religious Education Account, all pursuant to the terms of this Resolution and the EF Agreement.

(C) The Religious Education Account shall be used only for the following purposes (the "Religious Education Purposes"):

(i) The primary purpose shall be to provide funds for the purchase of flowers for distribution primarily to the children and youth of the Church, in connection with an annual Church service (the "Primary Purpose"); and

(ii) The secondary purpose, after satisfying the Primary Purpose as determined on a Fiscal Year basis, shall be to provide funds for religious education for children and youth of the Church (the "Secondary Purpose").

(D) For each Fiscal Year of the Church, the Endowment Fund Trustees shall distribute from the Religious Education Account such amounts as may be requested in writing by the Church Board, or such persons or committees designated from time to time by the Church Board to make such requests, such as the Religious Education Committee, Finance Committee, Treasurer, Financial Secretary, etc., for Religious Education Purposes, subject to the following restrictions and limitations:

(i) No annual distribution, other than an Extraordinary Distribution (as defined below) shall exceed five percent (5%) of the market value of the Religious Education Account determined as of the Valuation Date pursuant to the EF Agreement (the "Routine Distribution Limit").

(ii) No distribution shall be requested or made, if the effect of such distribution would be to reduce the market value of the Religious Education Account, determined as of the annual Valuation Date pursuant to the EF Agreement, to an amount less than the Minimum Value. For the purpose of clarity, there shall be no exception to this restriction for Extraordinary Distributions.

(iii) No distribution for a Secondary Purpose shall be made in any Fiscal Year unless at the time of the request the Church Board, or its designated representative, indicates to the Endowment Fund Trustees that no additional funds shall be necessary to satisfy the Primary Purpose; and

(iv) Notwithstanding the limitation of subparagraph (i), but subject to the limitations of subparagraphs (ii) and (iii) above, upon the written request of a Supermajority of the Church Board, as defined in the EF Agreement, the Endowment Fund Trustees shall distribute from the Religious Education Account to, or for the account of, the Church, such amounts in excess of the Routine Distribution Limit, as shall be requested by the Church Board or its designated representative (an "Extraordinary Distribution"), provided that no such Extraordinary Distribution shall exceed twenty-five percent (25%) of the market value of the Religious Education Account, as determined as of the Valuation Date pursuant to the EF Agreement.

2. The Church Board further requests that the Endowment Fund Trustees maintain a permanent record of this Resolution consistent with the Endowment Fund's record retention practices in the same manner as the EF Agreement and the terms applicable to various accounts of the Endowment Fund.

3. Upon receipt of notice of the adoption of a resolution of the Endowment Fund Trustees accepting the transfer subject to the terms of this Resolution, the Church shall transfer \$10,600 to the Endowment Fund and the Treasurer and Financial Secretary are hereby authorized and directed to transfer such funds to the Endowment Fund.

**RESOLUTION ACCEPTING THE TRANSFER OF FUNDS
FROM THE CHURCH, CREATING A NEW ACCOUNT AND
AGREEING TO TERMS OF SUCH ACCOUNT**

**APPROVED BY THE BOARD OF TRUSTEES
OF THE FIRST UNITARIAN CHURCH
SEPTEMBER 9, 2010**

RESOLVED, the First Unitarian Church Endowment Fund accepts the transfer of the funds from the Church, as described in the resolution adopted by the Church Board on September 7, 2010, create and maintain the Religious Education Account requested and hold and distribute funds from such account pursuant to the terms of such resolution.