

MT. DIABLO UNITARIAN UNIVERSALIST CHURCH
BYLAWS, as restated and amended through January 26, 2020.

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ARTICLE I — NAME

The name of this religious corporation shall be the Mt. Diablo Unitarian Universalist Church (hereafter, Church).

ARTICLE II — PURPOSE

The purpose of this Church is to foster liberal religion, specifically those Unitarian Universalist principles of individual freedom of belief, dedication to the advancement of truth, the democratic process in human relationships, and allegiance to the cause of an inclusive and united world community.

ARTICLE III — MEMBERSHIP IN THE UUA

This Church shall be a member of the Unitarian Universalist Association of Congregations and of the Pacific Central District.

ARTICLE IV — NONDISCRIMINATION CLAUSE

This Congregation affirms and promotes the full participation of persons in all our activities and endeavors, including membership, programming, and employment practices, without regard to race, color, gender, physical or mental challenge (unless required for the job), affectional or sexual orientation, class or nation of origin, and without requiring adherence to any particular interpretation of religion or to any particular religious belief.

ARTICLE V — MEMBERSHIP

A. Membership Qualifications

Any person may become a member of this Church (hereafter, Member) who is in sympathy with the Unitarian Universalist principles and with the purposes of this Church as delineated in Article II of these Bylaws, who agrees to comply with the Church's Covenant of Right Relationship, and who satisfies the requirements of this Article V.

B. Membership Categories and Requirements

1. Adult Members—Individuals 18 years of age or older. All adult Members are expected to participate in the life of the Congregation, make an annual financial contribution of record, and participate in a Path to Membership class. Financial contributions should be based on the Church's fair share giving guidelines. The number of adult Members is the Church's official membership count that is the basis for the Church's annual fair share financial contributions to the Pacific Central District and Unitarian Universalist Association.

2. Youth Members—Youth ages 14 to 18, who have completed the Church's Coming of Age program or a Church-established equivalent, are eligible to become Youth Members. Youth Members are expected to participate in the life of the Church beyond

YRUU activities, and to make an age- and family-appropriate annual financial contribution of record. Youth membership shall expire at the end of June in the year when a Youth Member reaches the age 18. Youth Members who wish to transition to adult membership can do so by re-signing the Membership Book.

3. Members Emeriti— Adult Members with a long history of involvement with and support of the Church who are no longer able to be active or to support the Church financially

C. Becoming a Member

1. Adult Members— Individuals must sign the Membership Book in the presence of a member of the Board of Trustees (hereafter, the Board) or a minister to become an adult Member of the Church.

2. Youth Members—Individuals must sign the Youth Membership Book in the presence of a member of the Board or a minister to become a youth Member of the Church.

3. Members Emeriti—The Board may, on the recommendation of the Membership Committee or the Senior Minister(s), designate adult Members who qualify as members emeriti. Members so designated will be notified as by the Church administrator. Once designated as members emeriti, they are no longer considered adult Members.

D. Rights of Membership

1. Adult Members—Adult Members who have been Members for at least 30 days are entitled to vote at meetings of voting Members (hereafter, Congregation).

2. Youth Members—Youth Members, who have been Youth Members for at least 30 days, are entitled to a vote on all matters except those explicitly concerning financial or contractual obligations, and all Youth Members are entitled to full participation in the life of the Church and to all other rights of Church membership.

3. Members Emeriti—Members emeriti are not voting Members, but are entitled to all other rights of Church Membership.

E. Termination of Membership

A Member's name shall be removed from the Church's membership roll in case of: (1) the Member's death; (2) written request by the Member to the secretary of the Board or the Church administrator; (3) a period of inactivity over one year, after review by the Senior Minister(s) and membership committee with 30 days' prior written notice to the Member; or (4) removal by a two-thirds (2/3) vote of the Board for actions that threaten the well-being of the Congregation and/or because of behavior inconsistent with the Church's Covenant of Right Relationship.

F. Reinstatement

Members who have resigned from the Church or who have lost membership due to inactivity will be restored to full Member status when they fulfill the requirements in this Article V.

ARTICLE VI— CONGREGATIONAL MEETINGS

A. Annual Meeting

The annual meeting of the Congregation shall be held not later than June 30. The time and place of said meeting shall be fixed by the Board.

B. Special Meetings

Special meetings may be called at any time by a majority of the Board, or shall be called upon the written petition of twenty percent (20%) or more voting Members; this petition to be filed with the Board at its next regular meeting or at a special meeting called by one of the Board's officers. The petitioner must specify the business to be conducted and only that business may be conducted at the meeting.

A special meeting may be called for the purpose of dismissing or terminating a minister by a majority of the Board, or upon the written petition of twenty percent (20%) or more voting Members.

C. Notice of Meetings

Notice of each congregational meeting, giving time and place of the meeting and the specific business to be considered, shall be sent to each voting Member by the secretary of the Board at least ten (10) days prior to the meeting, or published in the Church newsletter at least 10 days prior to the meeting. The notice of all congregational meetings shall be read from the pulpit on two consecutive Sundays immediately preceding the meeting.

D. Voting By Members; Number of Votes Required for Approval of Official Actions

1. The purpose of this Subsection (D) is to specify in one location of these Bylaws the following:

(a) the number of votes of Members at a Congregational meeting that are required to approve official actions of the Members; and

(b) how the number of votes by Members is determined.

2. Notwithstanding any provision of these Bylaws to the contrary, a majority of the number of votes cast by Members, (i) who are eligible to vote under Article V (D)(1) and (ii) who vote (both at a meeting and by absentee ballot, where permitted by Article VI (E)(2) at a properly called Congregational meeting, shall be required to approve all official actions of the Members, except

where a higher number of votes is specifically required by these Bylaws. Members who are not present at a meeting cannot vote by proxy. Members who abstain from voting, or who do not cast a vote, on an official action shall be excluded in determining the number of votes cast.

E. Voting by Absentee Ballot

1. All Members are encouraged to attend in person all meetings of the Congregation in order to hear, and have an opportunity to participate in, discussions of the matters before the Congregation.

2. Any Member eligible to vote at a meeting of the Congregation may vote by written absentee ballot but only where the notice required by Article VI (E)(3) has been given and only on the following four official actions:

(a) the vote to call the Senior Minister(s);

(b) the vote to elect members of the Board of Trustees, the Nominating Committee, the Legacy Committee, the Treasurer and any other officer of the Church who is elected by the Members;

(c) the vote to elect the members of a Ministerial Search Committee whose names are set forth in the notice of the meeting of the Congregation at which the vote is taken; and

(d) the vote of Members required to ordain a person as a Unitarian Universalist minister.

3. At least thirty (30) days before each Congregational meeting at which absentee voting is permitted under Article IV (E)(2), the Board of Trustees shall adopt written procedures governing written absentee ballots at that meeting. Procedures adopted by the Board shall continue in effect until amended by the Board.

4. The procedures adopted by the Board shall include specifying: the form of the absentee ballot; where and how the completed ballot must be delivered; the deadline for receipt in the Church office of a completed ballot; and the statement which Members submitting the absentee ballot must sign to indicate they are a voting Member. Any absentee ballot which does not comply with these procedures, as determined by the President, shall not be accepted or counted. The President shall announce at the start of each meeting the number of absentee ballots received and accepted from voting Members eligible to vote at the meeting and such absentee ballots shall be counted among the votes cast on the four official actions specified in (2) above.

5. At least twenty-one (21) days prior to any Congregational meeting at which absentee voting is permitted, the Board shall: (i) prominently post these procedures; (ii) include these procedures with the written notice of such Congregational meeting which is required to be given by Article VI (C); and (iii) provide that notice twenty-one (21) days prior to the meeting. The notice of the meeting, which is required by Article VI (C) to be read from the pulpit on the two consecutive Sundays immediately preceding the meeting, shall refer to these posted procedures.

6. If, after the Board of Trustees adopts the written procedures references in Article VI (E)(3), an official action which could be voted on by absentee ballot is amended, then any votes by absentee ballot for the amended action shall not be accepted or counted, and any Member who has submitted an absentee ballot regarding that action item may not vote in person at the Congregational meeting

on the amended action. This provision shall be included in the procedures adopted by the Board and published to the Members.

F. Quorum

A quorum at any regular or special Congregational meeting shall consist of seventy-five (75) voting Members or twenty percent (20%) of the voting Members, whichever is lower, unless specified otherwise in these Bylaws. In no case will absentee ballots be counted in establishing a quorum.

G. Agenda for Annual Meeting

The agenda for the Annual Meeting shall include:

- Treasurer's report
- Submission of the annual budget for discussion and adoption
- Election of members to the Board and of the Treasurer
- Election of members to the Legacy Committee
- Election of members to the Nominating Committee
- Other items that may be brought by the Board

H. Parliamentary Procedure

All congregational meetings shall be conducted according to the procedures set forth in the current edition of Robert's Rules of Order, except where they are inconsistent with these Bylaws.

ARTICLE VII — BOARD OF TRUSTEES

A. Composition of Board and Election Provisions

There shall be a Board of Trustees composed of ten (10) voting Members. Three (3) or four (4) Board members, as applicable, shall be elected at each annual meeting of the Congregation to serve three (3)-year terms, and any unexpired terms shall be filled by election for a one (1)- or two (2)-year term to complete the vacated term. Election shall be by majority vote. No member of the Board who has served more than four (4) years shall be reelected until out of office at least one (1) year. Vacancies shall be filled by Board appointment, after consulting with the Nominating Committee, until the next annual or special congregational meeting. All such terms shall coincide with the Church's fiscal year. All Board members must have been a voting Member for at least one (1) year prior to election or appointment and may not be an employee of this Church.

Although the terms of newly elected and reelected Board members do not commence until July 1, they are empowered to participate, along with Board members whose terms will not expire on June 30, in the election of Board officers whose terms shall begin on July 1. Such an organizational meeting shall be called by the outgoing Secretary and shall be held within two weeks after the annual meeting. If the organizational meeting is held on the same day as,

and immediately following, the annual meeting, no notice need be provided. If necessary, additional organizational meetings may be convened prior to July 1 for the purpose of the election of officers, for which notice must be provided. No business other than the election of Board officers may be conducted at any organizational meeting. The Board shall adopt a process for election of the officers.

B. Nomination

Nomination for election to the Board shall be made by one of the following methods:

1. Nomination shall be made by the Nominating Committee and reported to the congregation thirty (30) days before the annual meeting.

C. Nominations shall be made on the written petition of at least twenty percent (20%) of the voting Members. A written agreement to be a candidate for the Board must be submitted with the petition by the nominee. In order that the proper notice to the Congregation may be given pursuant to Paragraph B.1. above, such petitions shall be presented to the secretary of the Board no less than forty-five (45) days prior to the annual meeting.

D. Youth Representative

The President may annually appoint, with the approval of the Board, one or more youth Member to serve on the Board, who shall collectively have a single vote. Youth Members may serve a maximum of three (3) years, and may not vote on any matter associated with financial or legal obligations.

E. Termination of Board Membership

Any member of the Board who is absent from three (3) consecutive regular meetings of the Board shall lose membership on the Board at the next regular Board meeting, unless excused by vote of the Board. Said member shall be notified by the secretary of impending termination by written notice mailed not less than five (5) days before the next regular Board meeting.

F. Responsibilities of the Board

The Board, on behalf of the Church, shall have general charge of all its administrative, property and business affairs, subject to the provisions of the Bylaws.

The Board, at the recommendation of the Senior Minister(s) of the Church, shall appoint all employees, contract employees and intern ministers of the Church except the Senior Minister(s) (collectively, Church Staff). The Board may not spend an amount greater than five percent (5%) in excess of the total budget most recently approved by the Congregation on a single item or project not in the budget. Amounts greater than five percent (5%) must be submitted to the Congregation for approval at the annual meeting or a special meeting.

It shall be the responsibility of the Board to implement and monitor a process for long-term planning for the Church. This process shall include provisions for participation by Members of the Church.

The Board shall have regular monthly meetings and other meetings as it deems necessary. A simple majority of ten (10) members, or eleven (11) if a youth member has been appointed to the Board, shall constitute a quorum. All meetings shall be open to the Members, but the Board may go into executive session to discuss personnel or sensitive financial matters.

No member of the Board may serve concurrently in any other elected position of the Church, or as chair of any standing committee.

G. Executive Committee

The Executive Committee shall be composed of the officers of the Board and shall report promptly to the Board all actions it takes. It shall prepare an agenda for each Board meeting and shall gather and evaluate relevant data pertaining to each item of the agenda. It shall have further such powers and duties as the Board shall assign, from time to time.

ARTICLE VIII — OFFICERS

The officers of the Board shall be president, vice-president, secretary and treasurer. All but the treasurer shall be elected by the Board from its present and incoming membership at the time of the Board organizational meeting, for a term of one (1) year. Each of these officers shall continue to serve until a successor is elected. The Treasurer shall be a voting Member and shall be elected at the Annual Meeting of the Congregation for a one (1) year term. A Member may serve no more than four (4) consecutive one-year terms as Treasurer.

A. President

The president shall (1) preside at all business meetings of the Church and of the Board; (2) be an ex-officio member of all councils and committees except the Nominating Committee; (3) represent the Church on all appropriate occasions.

B. Vice-President

The vice-president shall act in the place of the President during the president's absence, and shall perform such duties as may be prescribed by the Board.

C. Secretary

The Secretary shall (1) assure that an accurate record is kept of the transactions of all business meetings of the Congregation and of the Board; (2) be responsible for posting notices and notifying the Members by mail of all meetings and affairs to be voted on; (3) assure that a list is maintained of all adult Members of the Church qualified to vote; (4) update and publish by-laws and Board policies consistent with Board and Congregational actions; (5) publish

the approved minutes of Congregational and monthly Board meetings, and at least quarterly treasurer reports, and (6) perform such other duties as may be prescribed by the Board.

D. Treasurer

The treasurer shall (1) receive and ensure the safe keeping of all money and/or other property of the Church entrusted to her/his/their care; (2) disburse same under the direction of the Board; (3) render a financial statement at the annual meeting and at such other times as requested by the Board; (4) keep a complete account of the finances of the Church on books which shall remain the property of the Church and which shall be open for inspection by the Board at any time; (5) have the annual statement for the fiscal year ready to be audited and certified by persons designated by the Board; (6) furnish quarterly statements of pledge status to the Members; and (7) update and implement the signature and password authority as needed. The Treasurer shall be bonded at the expense of the Church.

ARTICLE IX — MINISTERS

A. Recommendation for a new Senior Minister(s) shall be made by a Ministerial Search Committee of at least seven (7) voting Members elected by the Congregation.

B. The Senior Minister(s) shall be chosen by a vote of eighty-five percent (85%) of the voting Members of the Congregation present at any meeting properly called for the purpose.

C. A two-thirds (2/3) vote of the voting Members present at any meeting properly called for the purpose shall be necessary for the dismissal of the Senior Minister(s). Three months' notice shall be required for the dismissal or resignation to take effect.

D. Compensation of the Senior Minister(s) shall be recommended by the Board, and shall be included in the budget presented to the Members for approval at the annual meeting.

E. The Senior Minister(s) shall be nonvoting ex officio member(s) of the Board and all Church committees and councils. The Senior Minister(s), as chief of staff, shall be responsible for supervising all Church Staff and shall recommend to the Board the hiring, termination, and adjustments in compensation, and shall also provide annual evaluations of Church Staff. Other duties and terms of employment of the Senior Minister(s) and any other minister shall be negotiated between each such minister and the Committee on Ministry, or the Ministerial Search Committee, and shall be written into a ministerial employment agreement for each minister for approval by the Board.

ARTICLE X — COMMITTEES AND AFFILIATED GROUPS

A. Congregational Committees

The following committees consist of voting Members elected by the Congregation:

1. Nominating Committee—The Nominating Committee shall consist of nine (9) voting Members, each of whom shall serve not more than two consecutive two-year terms. Four members shall be elected at the annual meeting in odd-numbered years, and five members shall be elected in even-numbered years. The Nominating Committee shall select its own chair. The Nominating Committee shall develop slates of nominees for possible election to the Board, the Nominating Committee, the Legacy Committee, and for the office of Treasurer. Early in the nomination process, the Nominating Committee will reach out to the Board President and Lead Minister to discern leadership needs in the church for the coming year. The Nominating Committee shall publicize vacant positions and solicit recommendations from the Congregation for candidates. The Nominating Committee shall develop a list of nominees and share that list with the Board President and Lead Minister to determine eligibility to serve as a leader of the Church. Anyone deemed not eligible will be removed from further consideration. The Nominating Committee shall then determine the final slate of nominees to be presented at the annual Congregational meeting for election, including at least one nominee for each Board vacancy, each Nominating Committee vacancy, each Legacy Committee vacancy, and the office of Treasurer. The Nominating Committee shall seek Members with financial and marketing experience or other skills needed on the Legacy Committee. Voting Members who desire to serve in positions on the Board or such committees or as Treasurer shall apply to the Nominating Committee, pursuant to standing rules adopted by the Committee. Before presentation, each nominee shall have agreed to serve if elected. Except for nominations to the Nominating Committee, the Nominating Committee may not propose candidates from among its current membership, nor may a member who has resigned from the Nominating Committee within ninety (90) days prior to the beginning of the Committee's deliberations be eligible for nomination by the Committee.

2. Legacy Committee—Described in Article XII.

B. Standing Committees

There shall be the following standing committees to assist the Board in its responsibilities.

1. Committee on Ministry—The Committee on Ministry shall serve in an advisory capacity to the Board and the Senior Minister(s), and shall consist of at least five (5) voting Members, serving two (2)-year staggered terms. Members may serve no more than two (2) consecutive terms. More than half of an unexpired term shall be considered a full term. The Board shall select members of the committee from a list of nominees submitted by the Senior Minister(s). The primary purpose of this committee is to monitor and evaluate the ministries of the Church.

2. Personnel Committee—The Personnel Committee shall consist of at least three (3) Members serving three (3)-year terms as appointed by the Board upon the recommendation of the outgoing Personnel Committee and the Senior Minister(s). Appointments will be done annually (i.e., staggered terms) and no member may serve more than two (2) consecutive terms. The Personnel Committee shall advise the Board and the Senior Minister(s) on personnel policies, staffing needs and compensation guidelines, and shall assist the Senior Minister(s) in conducting searches for Church Staff positions.

C. Other Committees and Councils

Other committees and councils shall be established and terminated by the Board according to the needs of the Church. The Board may organize the committees into councils as it determines will best meet the changing needs of the Church. All committees shall report to the Board or designated councils at the time and in the form determined by the Board. All committees may raise funds to support their activities subject to the approval of the Board. Chairs shall be elected by the committees or councils on which they serve, and all committee chairs shall be voting Members of the Church unless otherwise authorized by the Board. Except for the chairs of the Nominating Committee and the Legacy Committee, each year the Board will approve all chairs of committees and councils, and all chairs serve at the discretion of the Board.

D. Affiliated Groups

Voluntary organizations which are largely made up of Church Members and friends, and who support the purpose of the Church, may be recognized by the Board as affiliated groups. For recognition by the Board, a group shall meet the following criteria: (1) each affiliated group shall direct its own programs and functions; (2) each affiliated group shall be responsible for its finances, and shall pay for direct expenses incurred on its behalf, and at its request, by the Church; and (3) each affiliated group shall appoint a representative to the Church to provide information and communication on the activities and programs of the group.

ARTICLE XI — FISCAL MATTERS

A. Budget Process

At each annual meeting, the Board shall recommend an operating budget for the Church's coming fiscal year for approval by the voting Members. The Board shall adopt a process to allow review and comment on the proposed budget by Members before the annual meeting. The budget, as recommended by the Board, shall be approved or rejected by a majority vote of the voting Members present at the annual meeting. If the budget is not approved, then the Board shall (1) reconsider the budget at a regular or special meeting of the Board; (2) recommend a budget for adoption at a special meeting of the Congregation; and (3) provide notice of such special meeting by announcement at two Sunday services prior to the meeting and by notice sent to Members at least seven (7) days prior to the meeting. Until the Congregation approves the budget, the Board shall operate under the budget approved for the prior fiscal year, subject to its powers under Article VII(E).

B. Sale, Transfer, or Mortgage of Real Property of Church

Any sale, transfer, mortgage or other encumbrance of any substantial portion of the Church's real property shall require approval by a majority vote of the voting Members present at a congregational meeting; provided that real property which the Church acquires by bequest or other gift may be sold by the Board within one year of its acquisition without congregational approval.

C. Indebtedness

The Board shall not incur additional indebtedness if doing so would cause the total principal amount of indebtedness of the Church to exceed five percent (5%) of the total revenue in the Church's most recently approved operating budget. A higher debt limit may be approved by a two-thirds (2/3) vote of the voting Members present at a congregational meeting.

D. Execution of Contracts and Other Documents

Checks and other orders on the funds or credit of the Church, and all contracts and other agreements by the Church, shall be valid and binding upon the Church only when executed by such officers of the Board or Church Staff as shall be designated and authorized by the Board, from time to time, in a resolution setting forth the authority of such officers and Church Staff in this regard, subject to the limits set forth in such resolution and the limits in paragraphs (B) and (C) above.

E. Loans for Emergency Purposes

Upon a declaration of an emergency by the Board and upon two-thirds (2/3) vote of all members of the Board, the Board may borrow money from any restricted funds of the Church for emergency purposes; provided that (1) the borrowing does not exceed five percent (5%) of the total revenues in the most recently approved operating budget, (2) the term of the borrowing does not exceed six months, and (3) the borrowing bears interest at a reasonable rate. By a two-thirds (2/3) vote of the voting Members at a congregational meeting, the Congregation may authorize an emergency borrowing for a longer term and in a larger amount. No such borrowing may violate restrictions imposed by donors or other third parties on any restricted funds of the Church nor the restrictions in Article XII.

ARTICLE XII — ENDOWMENT FUND AND LEGACY COMMITTEE

A. The Legacy Committee

1. The Legacy Committee shall consist of seven (7) members, all of whom shall be voting Members of the Church for at least one year before election. Except as herein limited, the term of each member shall be three years. The Senior Minister(s) shall be an advisory member of the Legacy Committee.

The Congregation, at an annual meeting or special meeting, shall elect six (6) members of the Legacy Committee, two for a term of three (3) years, two for a term of two (2) years, and two for a term of one (1) year. Thereafter, at each succeeding annual meeting, the Congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two consecutive three-year terms. After a lapse of one year, former Legacy Committee members may be reelected.

The seventh voting member of the Legacy Committee shall be appointed annually by the Board and shall serve until a successor is appointed by the Board.

In the event of a vacancy on the Legacy Committee of an elected member, the Board shall appoint a voting Member of the Congregation to fill the vacancy until the next meeting of the Congregation, at which time the Congregation shall elect a voting Member to fulfill the term of the vacancy.

2. The Legacy Committee shall meet three times a year, or more frequently as deemed by it in the best interest of the endowment fund. A quorum shall consist of five voting members. A majority present and voting shall carry any motion or resolution. The Legacy Committee shall elect from its membership a chair, financial secretary and recording secretary. The chair, or member designated by the chair, shall preside at all Legacy Committee meetings.

The recording secretary shall maintain complete and accurate minutes of all meetings of the Legacy Committee and supply a copy thereof to each member of the Legacy Committee. Each member shall keep a complete copy of minutes to be delivered to her/his/their successor. The recording secretary shall also supply a copy of the minutes to the Board.

The financial secretary shall assist the Church treasurer in maintaining complete and accurate books of accounts of the Endowment Fund and shall submit to the treasurer, on behalf of the Legacy Committee, written requests for checks payable from the endowment fund and shall sign all other necessary documents on behalf of the Church in furtherance of the purposes of the endowment fund.

3. The Legacy Committee shall keep accurate and complete records of the endowment fund and legacy commitments. The books of the endowment fund shall be audited annually by the Church treasurer or another person designated by the Board who is not a member of the Legacy Committee.

The Legacy Committee shall report at least annually to the Board and at the annual meeting of the Congregation or at special meetings as requested by the Board, and shall render a full and complete report of the administration of the Endowment Fund during the preceding fiscal year, including gifts received by the endowment fund and investment performance.

4. All assets of the endowment fund are to be held in the name of, and are owned by, the Mount Diablo Unitarian Universalist Church. The Endowment Fund shall be called the "David Sammons Endowment Fund."

5. The Legacy Committee, upon behalf of the Church, shall hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest and in all other respects manage and control, all the assets of the endowment fund, including stocks, bonds, debentures, mortgages, notes, or other securities and property, as in its judgment and discretion it deems wise and prudent including, without limitation, making investment allocations and selecting and monitoring financial advisors, which may include investment in funds administered by the Unitarian Universalist Association.

The Legacy Committee shall market to Members and friends of the Church the Endowment Fund and opportunities to make legacy gifts to the Church, including preparing educational and promotional materials and recognition for donors.

At least one month prior to the Board's approval of its recommended budget for the next fiscal year of the Church, the Legacy Committee shall advise the Board, the Treasurer and the finance committee of the amount of the annual distribution from the endowment fund to be made pursuant to Paragraph (C) of this Article XII.

The Legacy Committee may request other voting Members of the Congregation to serve as advisory members. The Legacy Committee may retain such professional counsel on investments or legal matters as it deems best, and may incur reasonable expenses in the execution of its duties. The expenses of the Legacy Committee shall be paid from the endowment fund.

6. The Legacy Committee may adopt such policies and procedures, not inconsistent with the Church Bylaws, as it determines appropriate.

7. Members of the Legacy Committee shall not be liable for any losses that may be incurred upon the investment of the assets of the endowment fund, except to the extent that such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as she/he/they act(s) in good faith and with ordinary prudence. Each member shall be liable only for her/his/their own willful misconduct or omissions and shall not be liable for the acts or omissions of any other member. No member shall engage in any self-dealing or transactions with the endowment fund in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which her/his/their personal interests would conflict with the interest of the endowment fund.

B. Transfer of Assets to Endowment Fund

1. Upon the adoption of this Article XII (on January 24, 2010), assets currently held in the David Sammons Endowment Fund and all other assets of the Church derived from unrestricted gift, bequests and other donations to the Church, including investment earning thereon (collectively, Unrestricted Gifts) shall be transferred to and held in the endowment fund; provided that Unrestricted Gifts shall not include donations to the Church's annual canvas, Sunday collections, the Memorial Fund, special fund-raising efforts approved by the Board, and other moneys donated for restricted purposes or use. All interest,

dividends and gains and losses on assets in the endowment fund shall be credited to the endowment fund.

2. Half of all unrestricted gifts over five thousand dollars (\$5,000.00) received by the Church after the adoption of this Article XII shall be deposited into the endowment fund, unless otherwise directed or restricted by the donor thereof, and held in the endowment fund and distributed as provided in Paragraph (C) below. The Board may direct that Unrestricted Gifts less than five thousand dollars (\$5,000.00) be deposited in the endowment fund.

3. If requested by the Board to do so, the Legacy Committee may, in its discretion, choose to administer restricted gifts made to the Church. If the endowment fund holds restricted gifts, the Legacy Committee shall abide by and keep a record of the terms and restrictions of all restricted gifts held in the endowment fund.

C. Distribution and Use of Assets of Endowment Fund

1. No distributions shall be made from the endowment fund unless the value of the assets in the endowment fund exceeds one hundred thousand dollars (\$100,000.00).

2. Assets in the endowment fund may be used only for the following purposes:

(a) Upon approval by a two-thirds (2/3) majority vote at a special meeting of the voting Members called for such purpose with a Required Quorum (as defined in Paragraph D(2) below), assets in the endowment fund may be spent by, or loaned to, the Church for purposes providing significant and long-term benefits to the Congregation (such as building improvements and debt reduction), such use and benefits to be determined by such vote of the Congregation.

(b) Upon two-thirds (2/3) majority vote of voting Members at a special meeting called for such purpose with a Required Quorum, assets in the endowment fund may be pledged as collateral for a loan to the Church or for a loan to another Unitarian Universalist Church, or to make a loan to another Unitarian Universalist Church.

(c) Upon two-thirds (2/3) vote of all members of the Board, the Board may declare a state of emergency, and then, at a special Board meeting called for such purpose, borrow up to twenty five percent (25%) of value of the assets in the endowment fund, acting on behalf of the Church, without a Congregational vote and at terms agreed upon with the Legacy Committee.

(d) Up to one hundred percent (100%) of the annual income of the endowment fund (determined as described in Paragraph (e) below) may be distributed annually by the Legacy Committee to the Board (the Annual Distribution), which the Board may use as follows:

(i) One half (1/2) for capital expenditures (major repair, replacements and expansion) and for payment of principal on bonds, notes and other debts, but not for routine maintenance.

(ii) One half (1/2) for support of the Church's annual budget or any other Church purpose approved by the Board.

(e) The amount of Annual Distributions from the endowment fund that may be made by Legacy Committee to the Board will be established by the Legacy Committee, from time to time, in an amount up to one hundred percent (100%) of the annual income of the endowment fund. If the Annual Distribution is less than one hundred percent (100%) in any one year, the Legacy Committee may distribute more than one hundred percent (100%) in a subsequent year, so long as Annual Distributions do not exceed one hundred percent (100%) on a cumulative basis.

D. Amending this Article XII

1. Any amendment to this Article XII which will change, alter or amend the purpose for which the endowment fund is established or the restrictions on the expenditure or use of assets of the endowment fund, must be adopted by a two-thirds (2/3) vote of the voting Members present at special meeting called specifically for the purpose of amending this Article XII and at which a Required Quorum (as defined below) is present. Notice of proposed amendments shall be given as provided in Article XV for amendments.

2. A Required Quorum shall consist of at least forty percent (40%) of the voting Members of the Church; provided, however, if the Church's Bylaws generally provide for a higher quorum at a meeting to amend other provisions of the Bylaws, then such higher quorum shall be the Required Quorum.

3. Other amendments to this Article XII may be made as provided generally in Article XV.

E. Disposition or Transfer of Endowment Fund

In the event the Church ceases to exist either through merger or dissolution, then all assets of the endowment fund:

1. Shall be transferred to another corporation, which qualifies under Section 501(c)(3) of the Internal Revenue Code as a charitable corporation and is designated by a two-thirds (2/3) vote of the Congregation; or

2. In the absence of a Congregational designation, transferred to the Unitarian Universalist Association.

ARTICLE XIII — DISSOLUTION

Any action to dissolve the Church must be approved by three-fourths (3/4) vote of voting Members present at a meeting called by the Board to specifically consider such an action, for which meeting written notice has been sent to all voting Members in accordance with Article VII(C).

If the Church, at its own option, shall cease to exist, all of its property, real and personal, after paying all just claims upon it, shall be conveyed to and vested in the Unitarian Universalist Association or its legal successor, and the Board shall perform all actions necessary to effect such conveyance. Such transfer will be made in full compliance with whatever laws are applicable.

ARTICLE XIV — INDEMNIFICATION

With respect to any liability, including but not limited to claims asserted or costs, losses, attorney fees and costs of defense and investigation (collectively, Costs), the Church shall indemnify any person who is or was an employee, agent, member of the Board, or volunteer of the Church against any Costs asserted against such person and incurred in the course and scope of her/his/their duties or functions within the Church; provided the person acted in good faith and did not engage in an act or omission that is intentional, willfully or grossly negligent, or done with conscious indifference or reckless disregard for the safety of others. The Church is not responsible for any settlement made by a person unless the settlement is approved by the Board. The provisions of this Article XIV shall not be deemed exclusive of any other rights to which such person may be entitled under any bylaw, agreement, insurance policy, vote of Members or otherwise.

A duly elected or appointed officer, member of the Board, employee, or agent of the Church shall not be personally liable to the Church or to its Members for monetary damages for breach of fiduciary duty, except for liability resulting from: (1) any breach of duty or loyalty to the Church or its Members, or (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law.

ARTICLE XV — AMENDMENTS; PROPOSAL AND ADOPTION

Amendments to these Bylaws may be proposed by the Board, or on the petition of at least twenty percent (20%) of the voting Members submitted at a Board meeting not less than forty-five (45) days before a congregational meeting.

Amendments to these Bylaws may be adopted at any annual or special meeting of the Congregation by a two-thirds (2/3) majority of the voting Members present and voting, provided the text of the proposed amendment has been set forth in the notice of meeting sent to the Members pursuant to Article VI of these Bylaws.