

**ARTICLES OF INCORPORATION**  
(Section 414D-32, Hawaii Revised Statutes)

The undersigned, acting as the incorporator of a corporation to be formed pursuant to the provisions of the Hawaii Nonprofit Corporation Act, Hawaii Revised Statutes Chapter 414D, does hereby adopt the following articles of incorporation:

ARTICLE I

CORPORATE NAME

The name of the corporation is:

UNITY OF HAWAII ENDOWMENT FOUNDATION

ARTICLE II

MAILING ADDRESS

The mailing address of the corporation's initial principal office is:

3608 Diamond Head Circle  
Honolulu, Hawaii 96815

ARTICLE III

REGISTERED AGENT AND REGISTERED OFFICE

The name of the corporation's initial registered agent and the street address of the place of business of the person in the State of Hawaii to which service of process and other notice and documents being served on or sent to the corporation may be delivered is:

Unity Church of Hawaii  
3608 Diamond Head Circle  
Honolulu, Hawaii 96815

ARTICLE IV  
INCORPORATOR

The name and address of each incorporator is:

Thomas E. Gallagher  
3608 Diamond Head Circle  
Honolulu, Hawaii 96815

ARTICLE V  
MEMBER

The sole member of the corporation shall be Unity Church of Hawaii, a Hawaii nonprofit corporation.

ARTICLE VI  
CORPORATE PURPOSES AND POWERS

The purpose for which the corporation is formed is to operate a permanent endowment fund to support the ministries of Unity Church of Hawai'i, a Hawaii nonprofit corporation. The corporation will receive donated money and other properties and will invest such donations and distribute income to further the work and ministries of Unity Church of Hawai'i. The corporation will be organized as a supporting organization under Section 509(a)(3) of the Internal Revenue Code of 1986, as amended, and will operate exclusively for the benefit of Unity Church of Hawai'i.

The corporation shall have all powers, rights, privileges and immunities permitted or provided to nonprofit corporations under Chapter 414D, Hawaii Revised Statutes, as amended, and all other applicable laws.

## ARTICLE VII

### LIMITATION ON CORPORATE ACTIVITIES

Notwithstanding any provision to the contrary herein contained, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation 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.

## ARTICLE VIII

### NONPROFIT STATUS

The corporation is not organized for profit and will not issue any stock and will pay no dividends. No part of the assets, income or earnings of the corporation shall inure to the benefit of, or be distributable to, its directors or officers. Notwithstanding the foregoing, the corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to make reimbursements for expenses actually incurred in service to the corporation and to make payments and distributions in furtherance of the purposes of the corporation.

## ARTICLE IX

### LIMITATION OF LIABILITY

(1) No director of the corporation shall be personally liable to the corporation for any monetary loss or damage suffered by it on account of a breach of any of the director's duties to the corporation; provided, however, that such director's liability shall not be limited for: (a) any breach of the director's duty of loyalty to the corporation; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) any transaction from which the director derived an improper personal economic benefit; or (d) any violations of the Hawaii Nonprofit Corporations Act relating to director conflicts of interest, loans to or guaranties for directors and officers, or director liability for unlawful distributions.

(2) No person who serves as a director or officer of the corporation without remuneration or expectation of remuneration shall be liable for damage, injury or loss caused by or resulting from the director or officer's performance of, or failure to perform duties of, the position to which the person was elected or appointed, unless the director or officer was grossly negligent in the performance of, or failure to perform, such duties. For purposes of this section, remuneration does not include payment or reimbursement of reasonable expenses or the provision of indemnification or insurance for actions as a director or officer.

(3) The limitation of liability provided in subsections (1) and (2) of this Article shall be cumulative and not exclusive, and shall be independent of and in addition to each other and any other limitation of liability provided by law or in any other agreement. Any repeal, amendment or modification of this Article shall not affect the limitation of liability provided in this Article for any acts or omissions occurring prior to such repeal, amendment or modification. The limitation of liability provided for in this Article shall continue as to any person who has ceased to be a director or officer of the corporation and shall inure to the benefit of such person's heirs, personal representatives, executors and administrators.

## ARTICLE X

### DISSOLUTION

If the corporation shall cease to exist or shall be dissolved, all property and assets of the corporation of every kind, after payment, or making provision for the payment, of its just debts and liabilities shall be distributed to Unity Church of Hawaii, a Hawaii nonprofit corporation, provided, however, that if at the time of such distribution, Unity Church of Hawaii is not exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or any successor provision thereto), then all remaining property and assets shall be distributed to one or more corporations, associations or other organizations that are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or any successor provision thereto).

The undersigned hereby certifies that the undersigned has read the foregoing statements and that the same are true and correct.

IN WITNESS WHEREOF, the undersigned has executed these presents this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
THOMAS E. GALLAGHER

BYLAWS OF  
UNITY OF HAWAII ENDOWMENT FOUNDATION

ARTICLE I

PURPOSES AND NONPROFIT CHARACTER

Section 1. Purposes. The purposes of the corporation shall be as specifically set forth in the Articles of Incorporation.

Section 2. Nonprofit Character. The corporation shall be a nonprofit corporation, and any net income or earnings which may be derived from its operation shall not be distributed to any member, director or officer of the corporation except to pay reasonable compensation for services rendered to the corporation, to make reimbursements for expenses actually incurred in service to the corporation, and to make payments and distributions in furtherance of the purposes to the corporation.

ARTICLE II

OFFICES

Section 1. Principal Office. The principal office of the corporation shall be located within the State of Hawaii, as the Board of Directors shall determine. The corporation may have such other offices, either within or without the State of Hawaii, as the Board of Directors may designate or as the business of the corporation may so require.

Section 2. Registered Agent and Office. The corporation shall maintain a registered office and a registered agent in the State of Hawaii. The registered office may, but is not required to, be identical with the principal office.

ARTICLE III

MEMBER

Section 1. Member. The sole member of the corporation shall be Unity Church of Hawaii, a Hawaii nonprofit corporation (the "Member"). Except as otherwise expressly set forth in these Bylaws or in a written notice delivered by the Member, any action required or permitted to be taken by the Member shall be valid and binding if such action is approved by the Board of Trustees of the Member.

Section 2. Transfer of Membership. Membership in the corporation is not transferable or assignable, and any attempted transfer or assignment shall be void abinitio.

Section 3. Annual Meeting. The annual meeting of the Member shall be held in each fiscal year at a time and place determined by the Board of Directors.

Section 4. Special Meetings. Special meetings of the Member may be held at any time upon the call of the chairperson, the board of directors or the Member. Upon receipt of such call or written request, the secretary shall send out a notice of the meeting to the Member.

Section 5. Place of Meeting. The Board of Directors may designate any place, within the State of Hawaii, as the place of meeting for any annual meeting or special meeting. If no designation is made, the place of the meeting shall be the principal office of the corporation.

Section 6. Notice of Meeting. Notice shall be given to the Member stating the place, day, and time of the meeting and shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting unless otherwise prescribed by Hawaii law. The notice shall include a description of any matter or matters that must be approved by the Member and, in the case of a special meeting, a description of the purpose or purposes of the meeting. Such notice shall be given by or at the direction of the chairperson, the secretary, or other persons calling the meeting and shall be delivered in person, by telephone or other form of wire or wireless communication, by mail or private carrier, by electronic transmission, or as part of a newsletter, magazine or other publication regularly sent to the Member. Oral notice is effective when communicated. If mailed, notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at the Member's address as it appears on the books of the corporation as of the record date. Notice given by electronic transmission shall be deemed given (i) when directed to an electronic mail address at which the Member has consented to receive notice, (ii) when directed to a facsimile number at which the Member has consented to receive notice, (iii) when posted on an electronic network together with separate notice to the specific posting given to the Member, and (iv) when directed to the Member if transmitted by any other form of electronic transmission. If a meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if it is announced at the meeting before adjournment.

Section 7. Waiver of Notice. The Member may waive notice at any time in a signed writing or by electronic transmission delivered to the corporation.

Section 8. Action by Written Consent. Any action required or permitted by law to be taken at a meeting of the Member may be taken without a meeting if the Member (i) executes a consent in writing setting forth the action to be taken, or (ii) transmits an electronic transmission consenting to the action to be taken, which electronic transmission contains information from which the corporation may determine that the electronic transmission was transmitted by the Member and the date on which the Member transmitted the electronic transmission. All such consents shall be delivered to the secretary of the corporation for filing with the corporate records.

## ARTICLE IV

### BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number and Tenure. The authorized number of voting directors shall be five (5) or more. The number of directors for the ensuing year shall be fixed by the Member (acting through its Board of Trustees) at each annual meeting. No more than forty nine percent (49%) of the directors may concurrently serve as Trustees of Unity Church of Hawaii. Each director shall be elected for a term of three (3) years and shall serve until his or her successor is duly elected and qualified, provided that a director may be elected to an initial term of less than three (3) years in order to achieve, as nearly equal as possible, the expiration of the terms of one-third (1/3) of the directors each year. No director may be elected for more than two (2) successive three-year terms, provided that (i) the election of a director to fill an unexpired term or for an initial term of less than three (3) years shall not be counted towards the two-term limit, and (ii) a director shall be eligible for reelection to the board of directors if such director remains off the board for at least one (1) year. The Senior Minister of the Member shall serve as an ex-officio director. Such ex-officio director shall not have the right to vote and shall not be counted in determining the presence of a quorum.

Section 3. Qualification and Selection. The Directors shall be selected at the annual meeting of the Member or at a special meeting of the Member held for that purpose. The Member (acting through its Board of Trustees) shall endeavor to identify and select Directors who have a mix of knowledge and experience in investments, business, finance, law, and/or real estate. Directors are not required to be members of Unity Church of Hawai'i.

Section 4. Duties. The duties of the Board of Directors will include, but not be limited to, the following:

- (a) Protect the corpus of the endowment fund;
- (b) Ensure that all transactions in the endowment fund adhere to the provisions of its governing documents;
- (c) Ensure compliance with the policies adopted by the corporation, including, but not limited to, the Gift Acceptance Policy, Investment Policy, Distribution Policy and Expenditure Policy set forth in Article XII of these Bylaws;
- (d) Implement investment policies and objectives as described in Appendix 2: Investment Policy Statement;
- (e) Establish and oversee a system to keep current and accurate financial records for the endowment as defined in Article IX; and
- (f) Report quarterly to the Unity Church of Hawai'i Board of Trustees and

annually to the Unity Church of Hawai'i congregation on the value of the endowment, the transactions within the endowment and the investment performance.

Section 5. Meetings. The Board of Directors may hold regular or special meetings at the principal office of the corporation or such other place within or without the state of Hawaii as may be designated by the Board of Directors. Meetings may be called by the chairperson, the presiding officer of the board, or twenty percent (20%) of the directors. Any meeting of the board of directors, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can simultaneously hear one another, and all such directors shall be deemed to be present in person at the meeting. Meetings of the board of directors shall be scheduled at least once per calendar quarter.

Section 6. Notice. Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Special meetings shall be preceded by at least two (2) days' notice of the date, time, and place of meeting. Such notice shall be given to each director by or at the direction of the chairperson or other persons calling the meeting. Such notice shall be delivered in person, by telephone or other form of wire or wireless communication, by mail or private carrier, or by electronic transmission. Oral notice is effective when communicated. If mailed, notice shall be deemed to be delivered at the earliest of the following (i) when received, (ii) five (5) days after its deposit with the U.S. Postal Service, or (iii) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested. Notice given by electronic transmission shall be deemed given (i) when directed to an electronic mail address at which the director has consented to receive notice, (ii) when directed to a facsimile number at which the director has consented to receive notice, (iii) when posted on an electronic network together with separate notice to the specific posting given to the director, and (iv) when directed to the director if transmitted by any other form of electronic transmission.

Section 7. Waiver of Notice. Any Director may waive notice of any meeting provided such waiver is made in writing and signed by the director entitled to the notice or is transmitted by electronic transmission, and delivered to the corporation for inclusion in the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director at the beginning of the meeting or prior to the vote on any matter not noticed in conformity with law, these Bylaws, or the Articles of Incorporation, objects to lack of notice and does not thereafter vote or assent to the objected to action.

Section 8. Quorum. At any meeting of the Board of Directors, a majority of the number of voting directors in office immediately before the meeting shall constitute a quorum for the transaction of business at such meeting. The affirmative vote of the majority of the directors present at any meeting at which there is a quorum shall be valid as an act of the board of directors, except as otherwise provided by law, these Bylaws, or the Articles of Incorporation.

Section 9. Action Without a Meeting. Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if all directors entitled to vote (i) execute a consent in writing setting forth the action to be taken, or (ii) transmit an

electronic transmission consenting to the action to be taken, which electronic transmission contains information from which the corporation may determine that the electronic transmission was authorized by the director who sent the electronic transmission. The consent shall be included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent or gives consent by electronic transmission, unless the consent specifies a different effective date.

Section 10. Proxies. Voting by proxy shall not be permitted at any meeting of the board of directors or of any committees or bodies created by the board of directors.

Section 11. Removal and Resignation. The entire Board of Directors or any individual Director may be removed from office, for cause, by a vote of the Member (acting through its Board of Trustees) at a meeting called for that purpose. Any Director may be removed by the Member (acting through its Board of Trustees) if such director is absent from two consecutive meetings of the Board of Directors. Any director may resign at any time by giving written notice to the board of directors or to the chairperson or secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice; or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 12. Vacancies. Any vacancy occurring in the Board of Directors will be filled by the Member (acting through its Board of Trustees). A director elected to fill a vacancy shall serve until the end of the term of that position on the Board of Directors.

## ARTICLE V

### COMMITTEES

Section 1. Board Committees. By resolution adopted by a majority of the directors in office, the board of directors may designate and create one or more board committees and appoint members of the board of directors to serve on them. A committee shall have such powers and authority as the board of directors shall delegate to it, except that no such committee shall have the power to do any of the following:

- (a) Authorize the payment of a dividend or the distribution of any part of the income or profit of the corporation to the directors or officers;
- (b) Approve or recommend to the members the dissolution or merger of the corporation or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
- (c) Elect, appoint, or remove directors or fill vacancies on the board or any of its committees; or
- (d) Adopt, amend, or repeal the Articles of Incorporation or Bylaws.

The designation of a committee and the delegation to it of authority shall not relieve the board of directors, or any member of such, of any responsibility imposed by law.

Section 2. Advisory Committees. By resolution adopted by a majority of the directors in office, the board of directors may designate and create one or more advisory committees, each of which shall consist of at least one director and such other persons appointed by the board. Such advisory committees shall provide advice to the board of directors but shall have no power or authority to act on behalf of the corporation.

## ARTICLE VI

### OFFICERS

Section 1. Designation. The officers of the corporation shall be a chairperson, a vice chairperson, a secretary, and a treasurer, each of whom shall be appointed by the board of directors. The board of directors may also appoint such other officers and assistant officers as it deems necessary. No officer may concurrently serve as an officer in the same position for Unity Church of Hawaii.

Section 2. Election and Term of Office. The officers of the corporation shall be appointed by the board of directors at their annual meeting of the board of directors or at such other times as the board of directors may deem appropriate. Each officer shall hold office for a term of one (1) year or until his or her successor shall have been duly appointed and qualified, until his or her death, or until he or she shall resign or shall have been removed by the board of directors.

Section 3. Removal and Resignation. Any officer may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer shall not of itself create contract rights. Any officer may resign at any time by delivering written notice to the board of directors. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein.

Section 4. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of the term.

Section 5. Chairperson. The chairperson when present shall preside at all meetings of the Member and of the board of directors. The chairperson shall be the principal executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision and control of the business and affairs of the corporation. The chairperson may sign, with the secretary or any other proper officer of the corporation authorized by the board of directors, deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution of such shall be expressly delegated by the board of directors by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed, and in general shall perform all duties incident to the office of chairperson to include arranging the date, time, format, and location of all meetings, proposing the agenda and providing it to each Director in advance of the meeting, and ensuring each meeting includes an opening prayer.

Section 6. Vice-Chairperson. In the absence of the chairperson or in the event of his or her death, inability, or refusal to act, the vice-chairperson shall perform the duties of the chairperson and when so acting shall have all the powers of and be subject to all the restrictions upon the chairperson. The vice-chairperson shall perform such duties as from time to time may be assigned to him or her by the chairperson or by the board of directors.

Section 7. Secretary. The secretary shall:

- (a) Prepare and keep the minutes of the proceedings of the Member and of the board of directors in one or more books provided for that purpose and distribute the minutes within a week of the meeting;
- (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (c) Be custodian of the corporate records;
- (d) Be responsible for authenticating records of the corporation;
- (e) In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the chairperson or by the board of directors.

Section 8. Treasurer. The treasurer shall:

- (a) Receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these Bylaws;
- (b) Present a current financial report at each regular meeting of the Board of Directors including a report on investments and their performance, and
- (c) In general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the chairperson or by the board of directors to include but not limited to: serve as a liaison with the custodian and manager of the invested funds and forward monthly investment reports along with any financial reports from the Foundation Board to the Unity Church of Hawai'i Board of Trustees

Section 9. Assistant Secretaries and Assistant Treasurers. Any assistant secretary or assistant treasurer, respectively, may exercise any of the powers of the secretary or treasurer as directed by the chairperson or the board of directors, and shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the chairperson or the board of directors.

## ARTICLE VII

### CONFLICT OF INTEREST TRANSACTIONS

Section 1. Conflict of Interest. A conflict of interest transaction is a transaction in which a director of the corporation has a direct or indirect interest. For purposes of this Article VII, a director has an indirect interest in a transaction if:

(a) Another entity in which the director has a material interest or of which the director is a general partner is a party to the transaction; or

(b) Another entity of which the director is a director, officer, or trustee is a party to the transaction.

Section 2. Conflict of Interest Transactions. No transaction effected or proposed to be effected by the corporation in which a director has a conflict of interest shall be enjoined or set aside, or shall give rise to an award of damages or other sanctions in a proceeding by a member or the corporation if the transaction is approved in one of the following manners:

(a) The material facts of the transaction and the director's interest are disclosed or known to the board and the transaction receives the affirmative vote of a majority (but no fewer than two) of the directors on the board who have no direct or indirect interest in the transaction. A majority of the uninterested directors on the board constitutes a quorum for purposes of this subsection.

(b) The material facts of the transaction and the director's interest are disclosed or known to the members and the transaction receives the affirmative vote of the Member.

## ARTICLE VIII

### CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The board of directors may authorize the chairperson and/or any other officer or officers, agent or agents of the corporation to enter into any contract or to execute and deliver any document, instrument, or writing of any nature in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, letters of credit, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by the chairperson and/or such other officers or agents of the corporation and in such manner as shall be determined from time to time by the board of directors. In the absence of such determination by the board of directors, the instruments shall be signed by the chairperson.

Section 3. Deposits. All funds of the corporation shall be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

## ARTICLE IX

### BOOKS AND RECORDS

Section 1. Corporate Records. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Member, board of directors, and committees having any of the authority of the board of directors. The corporation shall keep a copy of the following records at its principal office:

- (a) Articles of Incorporation and all amendments currently in effect;
- (b) Bylaws and all amendments currently in effect;
- (c) Resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of the Member;
- (d) Minutes of all meetings of the Member and records of all actions approved by the Member for the past three years;
- (e) Annual financial statements for the past three years;
- (f) A list of the names and addresses of its current directors and officers; and
- (g) The most recent annual report filed with the Director of the Department of Commerce and Consumer Affairs.

Section 2. Inspection of Corporate Records. The records required to be kept at the corporation's principal office set forth in Section 1 of this Article IX, and any other records as required by law, shall be open to inspection at a reasonable time upon written demand of the Member providing notice of five (5) business days or more.

## ARTICLE X

### INDEMNIFICATION

Section 1. Indemnification. To the fullest extent permitted by Hawaii law, the corporation shall indemnify each director and officer of the corporation who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, because such person is or was a director or officer of the corporation, against all expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or

proceeding. The corporation may indemnify current and former employees and agents of the corporation to the extent permitted by Hawaii law.

Section 2. Advances for Expenses. The corporation shall advance funds to pay for or reimburse the reasonable expenses and attorneys' fees incurred by a director or officer before final disposition of an action, suit or proceeding, provided that such person delivers a written affirmation of such person's good faith belief that such person has met the requisite standard of conduct for indemnification and delivers a written undertaking to repay such amount if it is ultimately determined that such person did not meet the standard of conduct. The board of directors may authorize payment in advance of final disposition of an action, suit or proceeding for the reasonable expenses and attorneys' fees incurred by an employee or agent seeking indemnification under this Article, provided that such employee or agent delivers the affirmation and undertaking described in the previous sentence.

Section 3. Continuing Indemnification. The indemnification provided for in Sections 1 and 2 of this Article shall be cumulative and not exclusive, and shall be in addition to any other indemnification provided by law or by any other agreement. Any repeal, amendment or modification of this Article shall not affect the indemnification provided in this Article for any acts or omissions occurring prior to such repeal, amendment or modification. The indemnification provided for in this Article shall continue as to any person who has ceased to be a director, officer or employee of the corporation and shall inure to the benefit of such person's heirs, personal representatives, executors and administrators.

## ARTICLE XI

### AMENDMENTS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted upon the approval by a majority vote of the voting members of Unity Church of Hawaii.

## ARTICLE XII

### ENDOWMENT POLICIES

The following policies (the "Endowment Policies") are hereby adopted by the corporation and incorporated into these Bylaws. Any amendment, modification or repeal of any of the Endowment Policies must approved by a majority vote of the voting members of Unity Church of Hawaii.

- (a) Gift Acceptance Policy: See Appendix 1 - Gift Acceptance Policy attached hereto and made a part hereof. The Gift Acceptance Policy shall be identical to the Gift Acceptance Policy contained in the By-Laws of Unity Church of Hawai'i.
- (b) Investment Policy: See Appendix 2 - Investment Policy Statement attached hereto and made a part hereof.

- (c) Distribution Policy: The Board of Directors will make available for distribution annually to the Unity Church of Hawai'i an amount equal to four percent (4%) of the twelve (12) quarter rolling average of the endowment fund. Any amounts not distributed in any year will remain available for distribution in future years.
  
- (d) Expenditure Policy: The corporation is intended to be self-supporting. All expenses attributable to its operation, including expenses arising from educational programs related to its purpose and function, donor recognition, and the corporation's management, shall be paid by the corporation.

## CERTIFICATION

The undersigned, being the duly elected, qualified and acting secretary of the corporation, does hereby certify that the foregoing bylaws were duly adopted by the corporation and are in full force and effect as of the date hereof.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Secretary

## Appendix 1: Gift Acceptance Policy

### I. Statement of Governing Principles:

This Gift Acceptance Policy is attached to the Bylaws of both Unity Church of Hawai'i and the Unity of Hawai'i Endowment Foundation, and cannot be changed by either organization without following the due process Bylaws change requirements of both organizations.

This gift acceptance policy under which Unity Church of Hawai'i will accept gift contributions will cover all appropriate types of contributions received by the church. All such gift contributions will be administered either by the Unity Church of Hawai'i Board of Trustees or by the Board of Directors of the Unity of Hawai'i Endowment Foundation, a 509(a)(3) supporting organization. This Gift Acceptance Policy specifies the types of gifts to be received and administered by each organization in accordance with the following general guidelines:

1. Gift contributions which support the general operations of the church and its ministries or the maintenance of its physical facilities,
2. Gift contributions which are utilized to insure the longevity and viability of the church in perpetuity.

This gift acceptance policy sets forth the clear specifications by which gifts may or will be received by Unity Church of Hawai'i or by the Unity of Hawai'i Endowment Foundation. The initial determination of such gift designation shall be the responsibility of the Unity Church of Hawai'i Board of Trustees with the review and concurrence of the Unity of Hawai'i Endowment Fund Board of Directors. A Gift Acceptance team, consisting of an appointed representative from each board and the Senior Minister, will review all gifts that require examination. If unresolved, disputes regarding the proper disposition of gift contributions shall utilize an outside mediation process, as determined by the Unity Church of Hawai'i Board of Trustees.

### II. Guidelines Regarding the Acceptance of Gifts

1. All gifts must be consistent with Unity Church of Hawai'i's [Purpose as stated in its By-Laws](#),
2. Unity Church of Hawai'i reserves the right to decline any gift that detracts from its vision, goals, values, integrity, or independence,
3. Unity Church of Hawai'i will not accept gifts that violate its ethical, moral, or theological statements of belief,
4. Unity Church of Hawai'i may refuse to accept gifts which could impact or jeopardize its non-profit status, and/or subject the church to legal liability or unfavorable publicity,
5. Unity Church of Hawai'i is unable to accept gifts restricted to individuals. Such gifts can be given directly to individuals outside of the church's purview, but are not eligible for federal or state tax deductions,
6. Unity Church of Hawai'i may choose not to accept gifts with inappropriate or excessive restrictions or gifts deemed to be too difficult or costly to turn into liquid or investment assets.

### III. Types of Gifts and Purposes:

1. Gift contributions which support the general operations of the church and its ministries or the maintenance of its physical facilities.

Kathy Whitmire 1/17/2018 9:10 AM

Deleted: Mission Statement

- a. Unrestricted and Restricted Types of Gifts:
    - i. Regular membership contributions supporting the church's annual ministry budget,
    - ii. Capital campaigns to meet certain goals,
    - iii. Memorial Gifts which are given by members in support of specific programs or needs,
    - iv. Special projects and fund raisers in support of building and property maintenance, or other operational needs and purposes,
    - v. Gifts to support Mission offerings,
    - vi. Gifts for additional money toward budgeted line items.
  - b. Types of Gifts
    - i. Cash or Personal Checks,
    - ii. Savings Bonds, and CD's,
    - iii. Stock certificates, mutual funds, or bonds traded on a public exchange,
    - iv. Wills and Bequests,
    - v. Proceeds from Retirement Accounts or Tax Deferred Instruments (401k, 403b, IRA's annuities, other types of instruments),
    - vi. Life Insurance Policies,
    - vii. Tangible personal property,
    - viii. Real Estate,
    - ix. Life Estate Gifts.
2. Gift contributions which are utilized to insure the longevity and viability of the church in perpetuity (Endowment Foundation).
- a. Unrestricted and Restricted Types of Gifts:
    - i. Unrestricted gift contributions whose market value equals or exceeds \$10,000,
    - ii. Restricted gift contributions designated for the Endowment Fund (Any Amount).
  - b. Types of Gifts:
    - i. Cash and Personal Checks,
    - ii. Savings Bonds, and CD's,
    - iii. Stock certificates, mutual funds, or bonds traded on a public exchange,
    - iv. Wills and Bequests,
    - v. Proceeds from Retirement Accounts or Tax Deferred Instruments (401k, 403b, IRA's annuities, other types of instruments),
    - vi. Life Insurance Policies,
    - vii. Tangible personal property,
    - viii. Real Estate,
    - ix. Life Estate Gifts.

#### **IV. Commitment to Donors**

1. This Gift Acceptance policy will honor the expressed intent of the donor to the fullest extent possible,
2. This gift acceptance policy will safeguard the donor's privacy and other confidential information,
3. The donor or his/her legal representative can approve or disapprove any form of public acknowledgment,
4. Unity Church of Hawaii will follow all applicable Federal and State laws referring to charitable giving.

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Unity of Hawai'i Endowment Foundation By-Laws

Draft 10-30-2017, To Be Approved as part of ByLaws by the Congregation - March 2018

## V. Church Resources

Donors may take advantage of several Church resources available to plan and facilitate their gifts. Donors may discuss the needs of the church and its mission, as well as the types of gift offering possibilities with the Senior Minister and/or the designated Developmental Officer at the Church. Periodic special meetings and appropriate informational brochures will also be scheduled and available.

## VI. Guidelines for use with Gifts of Real Estate:

1. Acceptance of an unrestricted real estate gift for general fund or endowment purposes will be based on the dollar threshold criteria set for these types of gifts, and will be determined by the estimated net marketable value for the real estate less all outstanding or projected expenses. (see: III. Types of Gifts and Purposes, 2.a.i.),
2. Acceptance of an unrestricted real estate gift for general fund or endowment purposes will require a special full evaluation of the property to determine its suitability for acceptance,
3. Acceptance of any restricted or unrestricted gift of real estate made to the endowment fund, once accepted, would be subject to one of the following two options:
  - a. If the Unity Church of Hawaii Board of Trustees determines that the property would benefit the Church in support of its mission and ministries, Unity Church of Hawai'i shall have First Right of Refusal to purchase the property from the Endowment Fund at a price (10%) below the determined Market Value,
  - b. If Unity Church of Hawaii declines, the property will be immediately offered for sale at the then to be determined Market Value.
4. Acceptance of a restricted gift of real estate for a specific church purpose or for use to support church operations would require that Unity Church of Hawai'i honor the donor's specified use or disposition of the property,
5. This evaluation shall be carried out by qualified representative(s) of the Unity Church of Hawai'i Board of Trustees and/or the Unity of Hawai'i Endowment Foundation Board of Directors,
6. The following steps or considerations should be taken in an evaluation:
  - a. The property should be visually inspected by the board appointed evaluators and/or by a locally based real estate representative, if local access to the property is not possible,
  - b. Various existing documents related to the property are to be made available to the church evaluators, including:
    - i. A qualified appraisal of the market value and history of the property,
    - ii. The deed to the property,
    - iii. Tax outstanding bills, if any, and a tax history of payments,
    - iv. Plot layout and/or building plans, if available,
    - v. Substantiation of the property's zoning status,
    - vi. Environmental study of the property, if available,
    - vii. Mortgage on the property, if applicable.
  - c. Depending on the value and marketability of the gift, a gift acceptance may be, in part, based on the amount and handling of certain associated property costs, including but not limited to:
    - i. Maintenance or repair costs,
    - ii. Outstanding real estate taxes,

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- iii. Property insurance outstanding or pending bills,
- iv. Real estate broker's commission or other costs associated with sale of the property,
- v. Cost of an environmental impact or other study, if warranted,
- d. Any other encumbrances, such as joint ownership with a third party, or special condition placed on the gift must be given due considerations.
- 7. Following the evaluation of the prospective real estate gift, the donor or his/her legal representative will be notified of the church's acceptance or non-acceptance of the gift, and any appropriate supporting statements or documents related to the church's decision.
- 8. Appropriate public acknowledgment or private, non-acknowledgment wishes of the donor shall be handled and completed in a timely manner.

**VII. Guidelines for use with Gifts of Life Estate**

- 1. Unity Church of Hawaii may accept Life Estate Gifts, provided there has been a full and transparent disclosure of all possible conditions and ramifications of the transaction to both Unity Church of Hawai'i and the Donor,
- 2. In instances where a donor may retain residency of the property during his/her lifetime, the donor will continue to be responsible for all operational and maintenance expenses, as well as the costs associated with property taxes and insurance,
- 3. Life Estate Gifts will be subject to the same Guidelines for Acceptance as any type of gift covered by this policy.

**VIII. Payment of Fees Related to Real Estate Gifts to the Church**

- 1. No fees or commissions shall be paid by Unity Church of Hawai'i to anyone as a consideration for influencing, directing, or providing a gift to the Church,
- 2. Professional or Real Estate Commissions or Fees in conjunction with the transfer or sale of property shall be taken from the sale or liquidation proceeds, as reviewed and approved by the Unity of Hawai'i Endowment Foundation Board of Directors or the Unity Church of Hawai'i Board of Trustees.

\_\_\_\_\_  
 President, Unity of Hawai'i Endowment Foundation      Date

\_\_\_\_\_  
 Pastor, Unity Church of Hawai'i      Date

## **Appendix 2: Investment Policy Statement**

### **I. Function, Purpose, and Responsibilities**

#### **Introduction**

Unity Church of Hawai'i (UCoH) is a 501(c)(3) non-profit corporation. Because the church expects to operate in perpetuity, wise stewardship of the funds entrusted to it is essential to the church's mission. With this in mind, the church has established this Unity of Hawai'i Endowment Foundation 509(a)(3) Type I, whose purpose is to manage the investment portfolio thereby providing funding for the perpetuity of the church. The final responsibility for the investment performance of the assets and their distribution lies with the Board of Directors of the Endowment Foundation. The Endowment must be effectively and prudently invested and in full compliance with all applicable laws.

#### **Purpose**

The purpose of this Investment Policy Statement is to state the responsibilities of the various parties involved with the Endowment and to provide guidelines, objectives, and administrative and review procedures. Overall it states the Endowment Foundation's intent with respect to the investment of the Endowment.

#### **Goals and Objectives of the Endowment**

1. To provide perpetual financial resources to help fund the mission of UCoH,
2. To manage the Endowment in a manner which provides long-term growth in the context of appropriate and acceptable risk.

#### **Responsibilities of the Board of Directors**

1. Prudently select/retain, evaluate the performance of, and approve the compensation for, the Investment Manager and the custodian of the assets of the Endowment,
2. Determine the investment horizon and risk guidelines for the Endowment,
3. Determine permissible investments and restrictions criteria for the Endowment,
4. Develop sound and consistent investment guidelines and review them annually,
5. Establish reasonable investment objectives,
6. Monitor and evaluate the investment performance results and ensure the policy guidelines are being adhered to and the objectives are being met, and
7. Take timely corrective action when performance objectives are not met.

#### **Responsibilities of the Investment Manager**

All investments will be invested with care, skill, prudence, and diligence under the circumstances then prevailing that a "prudent investor," acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with such aims.

The Investment Manager will exercise complete investment discretion over the assets it is allocated. Such discretion includes decisions to buy, sell, or hold equities or fixed income securities (including cash and cash equivalents) in amounts and proportions in accordance with the Investment Guidelines. The Endowment Foundation Chair has the right to vote all proxies of the securities and may delegate this right to the Investment Manager or another officer of the Board of Directors.

The Investment Manager is responsible for frequent and open communication with the Board of Directors on all significant matters pertaining to investment policies and the management of the Endowment including, but not necessarily limited to:

1. Major changes in the manager's investment outlook, investment strategy, and portfolio structure,
2. Any significant changes in the ownership, organization structure, financial conditions, or senior personnel staffing of the investment management firm,
3. Provide statements monthly which report the assets, and the activity during the period, and
4. Quarterly performance and valuation reports to coincide with calendar quarters or at such other times as the Board of Directors may reasonably request.

## **II. Investment Goals and Principles**

The Endowment Foundation believes that the Endowment should be managed in a way that reflects the following goals and principles:

1. The Endowment Foundation adheres to the traditional capital market pricing theory that over the long run, the risk of owning equities should be rewarded with a somewhat greater return than the return available from fixed-income investments,
2. Avoiding large risks is preferred. The Endowment Foundation is willing to trade off some potential opportunities for gain from high risk investments (with a high loss potential) by encouraging the Investment Manager to assume a moderate-risk posture in order to have a more stable positive return. This may result in sacrificing some potential opportunities for gain during rising markets in order to avoid large short-term declines in market value during falling markets,
3. Since the Endowment Foundation is adverse to large downward fluctuations in the value of its account balances resulting from volatile market value fluctuations, such year-to-year volatility should be minimized,
4. The Endowment Foundation Board of Directors will coordinate with the Investment Manager in deciding asset allocation between asset categories such as bonds, stocks, and cash/cash equivalents.