

Endowment Trust Fund Agreement

Version modified in April 2019 (prev version 2015).

At a congregational Special Business Meeting on April 14, 2019, Section 3 of the old (2015) version entitled “3. Trust Income” has been entirely deleted and replaced by a new Section 3 entitled “3. Annual Transfers”.

This agreement, made this 6th day of December 1981 between: The Unitarian Church of Calgary (hereinafter referred to as the “Settlor”) of the first part and: The three signators to this agreement & their successors (hereinafter referred to as the “Trustees”) of the second part.

Whereas it is the wish of the members of the Unitarian Church of Calgary to establish a separate Trust Fund to generate income to help finance the on-going operations of the local church in perpetuity.

And Whereas the Settlor has assigned and transferred to the Trustees certain funds received for these purposes (the receipt of which is hereby acknowledged).

Now therefore in consideration of the mutual covenants and conditions herein contained the parties mutually covenant and agree that as follows:

1. Trust Fund:

The said property, together with any other property which may from time to time be held by the Trustees in lieu thereof or in addition thereto (all of which is hereinafter referred to as “the Trust Fund”) shall be held by the Trustees upon the following trusts as herein set out.

2. Additional Trust Funds:

The Trustees in their sole discretion may accept additional Trust Funds or properties upon such trusts as they see fit.

3. Annual Transfers:

The amount transferred to the Settlor shall be 5% of the market value of the Trust Fund, averaged over twelve (12) months.

4. Investment of Trust Funds:

The Trustees shall be authorized to invest the Trust Funds in “Trustee Approved Investments”, as authorized from time to time by the legislation in force in the Province of Alberta. Except as otherwise provided herein and subject to the express terms of any Trust Funds received from donors, all investments shall be restricted to such “Trustee Approved Investments”.

5. Discretion of Trustees:

The Trustees may use their discretion in the liquidation of any Trust assets with power to sell, call-in, and convert into money any part or parts thereof in such manner and upon such terms and either for cash or credit or part cash and part credit as the Trustees in the uncontrolled discretion may decide upon. All sales or conversions of any of the assets from time to time forming the Trust Fund shall be in the absolute discretion of the Trustees and it is specifically declared that the Trustees may retain any investments which they consider advisable notwithstanding that such investments may not be in the form of investments in which the Trustees are otherwise authorized to invest Trust Funds and in such

instance they shall be fully exonerated from any liability for retaining such investments. The Trustees shall be entitled to join in or take any action in connection with any investment at any time forming part of the Trust Fund or to exercise any rights, powers and privileges which at any time may exist or rise in connection with any such investments to the same extent and as fully as they could if they were the beneficial owners of such investment. All stock dividends received by the Trustees in connection with any shares of stock from time to time held by them shall be deemed to be in and shall be dealt with as capital of the Trust Fund and the Trustees are authorized to retain any such stock dividends for such length of time as they consider advisable. In the event a dispute arises as to whether any receipt represents capital or income, the majority decision of the Trustees shall be final and binding upon the Trust.

6. Prohibition on Encumbering Trust Funds:

The Trustees are hereby expressly prohibited from encumbering the Trust Funds or loaning money to the Settlor or any other party. This prohibition however shall not exclude the Trustees from investing in "Trustee Approved Investments" or retaining or renewing any mortgage on any property forming part of the Trust Funds which mortgage was in existence at the time the Trust Funds were received.

7. Exoneration of the Trustees:

The Trustees shall not be responsible for any loss or expense which may be occasioned to the Trust property in any manner whatsoever and whether the same is due to any action or lack of action by the Trustees, but this paragraph shall not absolve the Trustees from the consequences of their own personal fraud or deceit.

8. Appointment of the Trustees:

(8.1) The Trust shall be administered by a Committee composed of at least 3 Trustees and up to 5 Trustees in total. The 5 Trustees shall be appointed by the Board of the Settlor for terms as follows: The Board will appoint a Trustee to serve as Chairperson for a five year term and shall be eligible for reappointment for additional five year terms.

The Board will appoint a minimum of two and a maximum of four additional Trustees who shall serve five year terms and be eligible for reappointment for additional five year terms.

Notwithstanding this the Board has the right to appoint any of these trustees for shorter terms than five years if necessary to ensure committee continuity

(8.2) A Trustee may resign by written notice of the Secretary of the Settlor. A Trustee may be removed from office by the affirmative Board of 90% of the Members of the Settlor present at a specially called meeting, of which proper notice has been given for that purpose, pursuant to the by laws of the Settlor calling for a special meeting from time to time in force.

(8.3) A trustee's office shall be deemed to become vacant forthwith in the event of any of the following:

- a) death;
- b) mental incapacity;
- c) personal bankruptcy;
- d) Trustee ceases to be a member of the Settlor;
- e) written resignation of the Settlor;
- f) removal from office pursuant to section (8.2);
- g) expiry of the term of appointment.

(8.4) In the event of a vacancy the Board may appoint a Trustee to fill the term or any portion of the

unexpired term of a Trustee.

(8.5) The majority decision of the Trustees shall be binding upon all the Trustees.

(8.6) All cheques, agreements and negotiable instruments shall be signed by at least two out of the five Trustees.

9. Books of Account:

The Books of Account of the Trust shall be kept by the Treasurer of the Settlor and at all reasonable times shall be available for the inspection by any Trustee. The Treasurer of the Settlor, upon the instructions of the Trustees, shall provide tax receipts pursuant to the laws of Canada, to any donor to the Trust. The Trustees shall arrange to have the Books independently audited once a year and file a written report of the audit together with a summary of their activities for the preceding calendar year at a General Meeting of the Settlor to be held prior to June in each succeeding year.

10. Segregation of Assets:

The assets of the Trust shall be kept separate and apart from those of the Settlor and not co-mingled in any way.

11. Power to Alter Trust:

The terms of this Trust Deed may be amended, varied, altered, or revoked in whole or in part by an agreement of 90% of the members of the Settlor present at a Special Meeting called for that purpose of which proper notice for the Special Meeting has been given pursuant to the by-laws of the Settlor. However, such amendment, variation or alteration in this agreement or the terms hereof may not impose obligations or duties on the Trustees in excess of those herein undertaken by them without the consent in writing of the Trustees.

12. Administrative Costs:

The Trustees shall not be entitled to receive any compensation for their services rendered herein except for out-of-pocket expenses. Such out-of-pocket expenses shall not exceed a maximum of 10% of the gross annual income from the Trust Funds. In the event that such out-of-pocket expenses exceed such 10% the Settlor agrees to reimburse the Trust for such expenses.

13. Separate Entity:

In the sole discretion of the Trustees, the Trustees may apply to have the Trust Fund incorporated as a separate legal entity under the Alberta Society's Act and registered as a charitable tax contribution with the Federal Government, subject at all times to the terms of this Trust Deed.

14. Dissolution:

In the event that the Settlor ceases to exist, then in that event the Trustees shall transfer all the remaining Trust assets to the Canadian Unitarian Council or its successor or assigns.

15. Terms

The terms and conditions of this Agreement shall enure to and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

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The Unitarian Church of Calgary

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The Unitarian Church of Calgary

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First Trustee

_ Witness

Second Trustee

_ Witness

Third Trustee