

THE MEMORIAL ENDOWMENT TRUST OF THE
UNITARIAN UNIVERSALIST COMMUNITY OF CHARLOTTE
(As amended and restated effective December 6, 2020)

THIS TRUST AGREEMENT dated as of December 6, 2020 (“this Agreement”), at Charlotte, Mecklenburg County, North Carolina, is in four parts. Part 1 sets forth the purpose of the trust and defines certain terms used in the rest of this Agreement. Part 2 contains the provisions dealing with the composition and distribution of the property forming the corpus of the trust. Part 3 names the persons who will administer the trust and sets forth the manner of their election and succession. Part 4 sets forth the provisions governing that administration. This Agreement amends and restates the trust, as heretofore amended, to meet present and future needs and set forth its provisions in a single document.

PART 1 - PURPOSE AND DEFINITIONS

1.1 Statement of Purpose and Operation. This trust was created in 1980 and shall continue to be operated exclusively for religious, charitable or educational purposes, upon the terms and conditions herein after provided. No part of the trust fund shall inure to the benefit of any individual, and no part of the activities of this trust shall consist of carrying on propaganda, or otherwise attempting to influence legislation, or of participating in, or intervening in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provision hereof, this trust shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization which is tax exempt or by an organization contributions to which are deductible from taxable income to the extent allowed by the provisions of the Internal Revenue Code of 1986, as amended from time to time, and any other applicable legislation and regulations thereunder as they now exist or may hereafter be enacted. This paragraph is intended as an integral, substantive provision of this Agreement, and in no event shall it be construed as mere precatory language.

1.2 Name of Trust. The name of this trust shall be the “The Memorial Endowment Trust of the Unitarian Universalist Community of Charlotte.” In so far as practicable the Board of Trustees shall conduct the activities of the trust in that name. The trust was formerly named the “Unitarian Universalist Church of Charlotte Memorial Endowment Trust.”

1.3 UUCC. The term "UUCC" shall mean the Unitarian Universalist Community of Charlotte, Inc., a religious organization organized under the laws of the State of North Carolina. The UUCC was formerly known as the “Unitarian Universalist Church of Charlotte, Incorporated”

1.4 UUCC Board. The term “UUCC Board” means the Board of Trustees of the UUCC.

1.5 Board of Trustees; Trustees. The term "Board of Trustees" shall mean Board of Trustees of the trust provided for in this Agreement. The term “Trustee” shall mean a person serving as a member of the Board of Trustees.

1.6 Trust Estate. The term "trust estate" shall mean the property subject to the trust at any given time.

1.7 Trust Fiscal Year. The term “Trust Fiscal Year” means the trust’s fiscal year, as in effect from time to time. On the date of this Agreement, the Trust Fiscal Year is the calendar year.

1.8 Number. The singular shall be deemed to include the plural as the context may require.

PART 2 - COMPOSITION AND DISTRIBUTION

2.1 Trust Corpus. The UUC and other contributors have previously delivered property and cash to the Trustees. The Trustees may receive additional contributions from the UUC or from any other source in cash or in any property acceptable to them. All contributions received together with the income there from shall be held, administered and distributed in accordance with the terms and conditions of this Agreement.

2.2 Use of Trust Estate. The Trustees shall receive, hold, manage and invest any and all property received as part of the trust estate, for the purposes, to the extent reasonably possible, of providing a perpetual, stable source of income to the UUC or for UUC-related projects and activities. To that end, the Trustees shall pay to or for the benefit of the UUC, or UUC-related projects and activities, amounts of income and principal of this trust as grants and loans on the following terms and conditions:

A. Grants. The Board of Trustees in its discretion may distribute amounts of the principal or income of this trust to fund or support a special UUC-sponsored or UUC-related project or activity that furthers the principles, programs and purposes of the UUC and is expected to have a long-term and lasting social or spiritual benefit (a “grant”). A grant may not be used to pay regular and ongoing operating expenses of the UUC (whether or not included in the UUC’s annual budget), but may be used to pay one-time expenditures (for example “seed money”) required to fund a project or activity which if successful could in the future entail UUC operating expenses for which grants may not be made. Total grants made during a Trust Fiscal Year may not exceed five percent (5%) of the Average Trust Value. Grants shall not be made during a Trust Fiscal Year to the extent that the value of the trust corpus on the last business day of the preceding Trust Fiscal Year, (i) reduced by the total unpaid balance on that last business day of any previously made grants and (ii) further reduced by the total grants made during the current Trust Fiscal Year, would be less than the Threshold Amount. For purposes of applying the above limitations, a grant is considered made during the Trust Fiscal Year in which it is approved by the Board of Trustees (even if the grant is wholly or partially paid during a later Trust Fiscal Year).

B. Loans. The Board of Trustees in its discretion may distribute amounts of the principal of this trust to the UUC in the form of unsecured, non-interest bearing loans. The amount of any such loan, determined as the date such loan is made, may not exceed (i) ten percent (10%) of the Average Trust Value minus (ii) the total unpaid principal amount of any loans previously made to the UUC under this Agreement that are then outstanding.

C. Definitions of Average Trust Value and Threshold Amount. The term “Average Trust Value” for purpose of applying the limitations of Paragraphs 2.2A and B on the amount of grants and loans that may be made during a Trust Fiscal Year, means the average value of the trust corpus during a consecutive calendar month period, determined as follows:

The Board of Trustees shall determine the length (number of months) of the consecutive calendar month period and the months in which it shall begin and end.

The average value of the trust corpus for the consecutive calendar month period shall be (i) the sum of the value of the trust corpus on the last business day of each calendar month in the period, reduced by the total unpaid balance of any previously made grants, (ii) divided by the number of calendar months in the period.

The term “Threshold Amount” for purposes of applying the limitations of Paragraph 2.2A on the amount of grants that may be made during a Trust Fiscal Year, means an amount that the Board of Trustees determines from time to time in its discretion, should be the minimum trust corpus value that should remain after grants for a Trust Fiscal Year have been made, in order to reasonably ensure that this trust will meet its objectives and goals in the future. The Threshold Amount shall not be less than five hundred thousand dollars (\$500,000).

2.3 Restricted Contributions. The Trustees in their discretion may receive, in addition to contributions under Paragraph 2.1, contributions which (i) restrict their uses and purposes, provided such restrictions are within the uses and purposes set forth in Paragraph 1.1, and (ii) limit the time, manner, amount, or other terms of distribution. Unless otherwise specifically required, however, the Trustees may mingle such restricted contributions with other assets of the trust estate.

PART 3 – TRUSTEES

3.1 Board of Trustees. The Board of Trustees shall consist of five to seven persons. The Board of Trustees shall determine the number of Trustees. Each Trustee (i) must have been a member of the UCC for at least five years prior to the effective date of their appointment, including throughout the two-year period immediately preceding the effective date, and (ii) while a Trustee, must remain a member of the UCC and not serve as a member of the UCC Board. Trustees shall serve three year terms and may not serve for a consecutive period of more than two terms, and a Trustee who has served two consecutive terms may not be reappointed to the Board of Trustees until a one year period has elapsed. The UCC Board shall appoint the Trustees. The Board of Trustees may remove any Trustee by majority vote of the remaining Trustees. In the event that any member of the Board of Trustees is removed, resigns or otherwise ceases to act, the UCC Board shall appoint a successor to serve the remainder of said member’s term. The successor’s service for the remainder of the term shall not count towards the consecutive term limitation of this Paragraph 3.1 if less than two years in duration.

3.2 Compensation. Each Trustee shall serve without compensation, but all reasonable expenses of this trust or of any Trustee acting hereunder shall be paid by the Trustees from the trust estate.

3.3 Rules and Procedures. The Board of Trustees shall establish (and may amend from time to time) such written rules and procedures as it considers necessary and appropriate for the operation and administration of this trust.

PART 4 - ADMINISTRATIVE PROVISIONS

4.1 Powers. The powers enumerated in North Carolina General Statutes §32-27 are incorporated by reference and granted to the Board of Trustees, subject to the restrictions of North Carolina General Statutes §32-26(b). In addition to these powers, and not in limitation thereof, the Board of Trustees is authorized in its absolute discretion with respect to any property, real or personal, at any time held under any provision of this trust and without authorization by any court and in addition to any other rights, powers, authority and privileges granted by any other provision of this trust or by statute or general rules of law:

A. To retain any property or undivided interests in securities or other property received from any source whatsoever, regardless of any lack of diversification, risk or non-productivity, as long as it deems advisable, and to exchange any such security or property for other securities or properties and to retain such items received in exchange, although said property represents a large percentage of the trust estate or even the entirety thereof.

B. To invest and reinvest all or any part of the trust estate in any property and undivided interests in property, wherever located, including bonds, debentures, notes, secured or unsecured, stocks of corporations regardless of class, interests in limited proprietorships, real estate or any interest in real estate whether or not productive at the time of investment, interests in trusts, investment trusts, whether of the open and/or closed fund types, and participation in common, collective or pooled trust funds, without being limited by any statute or rule of law concerning investments by fiduciaries.

C. To sell or dispose of or grant options to purchase any property, real or personal, constituting a part of the trust estate, for cash or upon credit, to exchange any property of the trust estate for other property, at such times and upon such terms and conditions as it may deem best, and no person dealing with it shall be bound to see to the application of any monies paid.

D. To hold any securities or other property in its own name as Trustee, in its own name, in the name of a nominee (with or without disclosure of any fiduciary relationship) or in bearer form.

E. To keep, at any time and from time to time, all or any portion of the trust estate in cash and uninvested for such period or periods of time as it may deem advisable, without liability for any loss in income by reason thereof.

F. To sell or exercise stock subscription or conversion rights or any stock options included in the trust estate.

G. To refrain from voting or to vote shares of stock owned by the trust estate at shareholders' meetings in person or by special, limited, or general proxy and in general to exercise all the rights, powers and privileges of an owner in respect to any securities constituting a part of the trust estate.

H. To participate in any plan of reorganization or consolidation or merger involving any company or companies whose stock or other securities shall be part of the trust estate, and to deposit such stock or other securities under any plan of reorganization or with any protective committee and to delegate to such committee discretionary power with relation thereto, to pay a proportionate part of the expenses of such committee and any assessments levied under any such plan, to accept and retain new securities received by the Board of Trustees pursuant to any such plan, to exercise all conversion, subscription, voting and other rights, of whatsoever nature pertaining to such property, and to pay any amount or amounts of money as it may deem advisable in connection therewith.

I. To borrow money and to encumber, mortgage or pledge any asset of the trust estate for a term within or extending beyond the term of the trust, in connection with the exercise of any power vested in the Board of Trustees.

J. To enter for any purpose into a lease as lessor or lessee with or without option to purchase or renew for a term within or extending beyond the term of the trust.

K. To subdivide, develop, or dedicate real property to public use or to make or obtain the vacation of plats and adjust boundaries, to adjust differences in valuation on exchange or partition by giving or receiving consideration, and to dedicate easements to public use without consideration.

L. To make ordinary or extraordinary repairs or alterations in buildings or other structures, to demolish any improvements, to raze existing or erect new party walls or buildings.

M. To collect, receive, and receipt for rents, issues, profits, and income of the trust estate.

N. To insure the assets of the trust estate against damage or loss and the Board of Trustees against liability with respect to third persons.

O. In buying and selling assets, in lending and borrowing money, and in all other transactions, irrespective of the occupancy by the same person of dual positions, to deal with itself in its separate, or any fiduciary capacity.

P. To compromise, adjust, arbitrate, sue or defend, abandon, or otherwise deal with and settle claims in favor of or against the trust estate as the Board of Trustees shall deem best.

Q. To employ and compensate agents, accountants, investment advisers, brokers, attorneys-in-fact, attorneys-at-law, tax specialists, realtors, and other assistants and advisors deemed by the Board of Trustees needful for the proper administration of the trust estate, and to do so

without liability for any neglect, omission, misconduct, or default of any such agent or professional representative provided they are selected and retained with reasonable care.

R. In general, to exercise all powers in the management of the trust estate which any individual could exercise in their own right, upon such terms and conditions as it may deem best, and to do all acts which it may deem necessary or proper to carry out the purposes of this trust; subject, however, to the condition that no right, power or authority shall be exercised by the Board of Trustees in any manner or for any purpose whatsoever which may not be exercised by an organization which is tax exempt or by an organization contributions to which are deductible from taxable income to the extent allowed by the provisions of the Internal Revenue Code of 1986, as amended from time to time, and any other applicable legislation and regulations thereunder as they now exist or may hereafter be enacted.

4.2 Investment. In acquiring, investing, reinvesting, exchanging, retaining, selling, and managing securities or other property which constitute the trust estate, the Board of Trustees shall be bound by the provisions of Article 9 of Chapter 36C of the North Carolina General Statutes, including the "prudent investor rule" as set forth in North Carolina General Statutes §36C-9-902, which provisions are incorporated herein by this reference, provided, however, that nothing herein shall be construed as limiting or contradicting the express powers given to the Board of Trustees in the preceding Paragraph 4.1.

4.3 Trustee Accountings. The Board of Trustees shall not be required to file any periodic inventory or accounting with any court, unless otherwise required by law, but it shall file with the UUCG an annual account of the receipts and disbursements of cash and principal held in the trust.

4.4 Amendment. This Agreement may be amended or modified from time to time upon the vote of sixty-six and two-thirds percent (66 2/3%) of the members of the UUCG who are present at any duly called Special Meeting and who are eligible pursuant to the UUCG's bylaws to vote on UUCG matters ("Voting Members"). For the purposes of such Special Meeting, twenty percent (20%) of the Voting Members shall constitute a quorum. However, if such quorum of Voting Members is not present those Voting Members who are present can proceed with the meeting provided that eighty percent (80%) of those Voting Members present vote to proceed. In such event a quorum shall be deemed to exist. A Special Meeting may be called pursuant to the Notice of Meetings provisions contained in the UUCG's bylaws as may be amended from time to time. Such meeting may be called either by Board of Trustees or the UUCG Board. The written notice shall state the purpose, place, date and time of the Special Meeting and a description of the business to be transacted. Special Meetings may only consider those items of business specified in the notice. No amendment or modification of this trust shall alter the intention of the UUCG that this trust be operated exclusively for religious, charitable or education purposes, and in a manner which shall make this trust tax exempt and the contributions to it deductible from taxable income to the extent allowed by the provisions of the Internal Revenue Code of 1986, as amended from time to time, and any other applicable legislation and regulations thereunder as they now exist or may hereafter be enacted.

4.5 Duration. The term of this trust shall be perpetual; however, it may be terminated pursuant to the provisions of Paragraph 4.4 hereof. Upon termination of this trust for any reason, the trust estate shall revert back to the UUCC, or if the UUCC is no longer in existence, to the Unitarian Universalist Association or, if that organization is no longer in existence, to an organization which is tax exempt under the provisions of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, but in no event shall it revert to or inure to the benefit of any individual.

4.6 Situs. This trust is executed and delivered in the State of North Carolina, and it shall be governed by, and construed and administered in accordance with the laws of that state.

4.7 Acceptance. The Board of Trustees hereby accepts this trust, and undertakes to receive, hold, manage, and administer the trust estate in accordance with the terms of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement in duplicate as of the day hereinabove written.

UNITARIAN UNIVERSALIST COMMUNITY OF CHARLOTTE, INC.

By: _____, Co-Chair, Board of Trustees

By: _____, Co-Chair, Board of Trustees

THE MEMORIAL ENDOWMENT TRUST OF THE UNITARIAN UNIVERSALIST
COMMUNITY OF CHARLOTTE

By: _____, Trustee

By: _____, Trustee

By: _____, Trustee

By: _____, Trustee

By: _____, Trustee