

PEACE UNITED CHURCH
OF CHRIST FOUNDATION

BYLAWS

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OF CHRIST FOUNDATION
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TABLE OF CONTENTS

ARTICLE I: OFFICES	1
Section 1: 1 Principal and Other Offices	1
Section 1:2 Registered Office and Agent.	1
ARTICLE II: THE CONGREGATION	1
Section 2:1 General.....	1
Section 2:2 Annual Meeting	1
Section 2:3 Special Meetings	1
Section 2:4 Notice	1
ARTICLE III: TRUSTEES.....	2
Section 3:1 General Powers	2
Section 3:2 Composition.....	2
Section 3:3 Number	2
Section 3:4 Nomination Procedure	2
Section 3:5 Election.....	2
Section 3:6 Term of Office	2
Section 3:7 Resignation	3
Section 3:8 Removal.	3
Section 3:9 Vacancies	3
Section 3:10 Regular Meetings	3
Section 3:11 Special Meetings	3
Section 3: 12 Special Invitees	3
Section 3: 13 Notice	3
Section 3:14 Waiver	4
Section 3: 15 Quorum	4
Section 3: 16 Action By Board Without a Meeting	4
Section 3: 17 Compensation of Trustees	4
Section 3:18 Reimbursement of Expenses	4
Section 3: 19 Committees	4
Section 3:20 Extent of Corporate Powers	4
Section 3:21 Annual Audit.	5
ARTICLE IV: OFFICERS	5
Section 4: 1 Appointment.	5
Section 4:2 Principal Executive Officers	5
Section 4:3 Vacancy	5
Section 4:4 Term of Office	5
Section 4:5 Chairperson of the Board.....	5
Section 4:6 Treasurer of the Board	6
Section 4:7 Secretary of the Board	6
Section 4:8 Removal.	6
Section 4:9 Resignation	6
ARTICLE V: COMMITTEES	6
Section 5:1 Committees	6
Section 5:2 Limitations on Authority of Committees	6

Section 5:3 Term of Committee Members 7

Section 5:4 The Chairperson 7

Section 5:5 Vacancies 7

Section 5:6 Quorum 7

Section 5:7 Rules Governing Committees 7

ARTICLE VI: INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHERS;
INSURANCE 7

Section 6:1 Liabilities Covered 7

Section 6:2 Procedures for Indemnification 8

Section 6:3 Advance Payment of Expenses 8

Section 6:4 Extent of Rights Hereunder. 8

Section 6:5 Purchase of Insurance 8

ARTICLE VII: CONFLICT OF INTEREST TRANSACTIONS 9

ARTICLE VIII: CONTRACTS, CHECKS, DEPOSITS AND FUNDS 9

Section 8: 1 Contracts 9

Section 8:2 Checks, Drafts, Money Orders, and Notes 9

Section 8:3 Deposit of Funds 9

Section 8:4 Bonding 9

ARTICLE IX: INVESTMENTS 10

ARTICLE X: VOTING OF SHARES OF OTHER ORGANIZATIONS 10

ARTICLE XI: PROHIBITIONS 10

Section 11:1 Distribution of Earnings or Profit.. 10

Section 11:2 Actions by Trustees, Officers, Employees or Representatives 10

Section 11:3 Propaganda; Political Campaigns 10

ARTICLE XII: FISCAL YEAR 10

ARTICLE XIII: AMENDMENTS 11

Section 13: 1 Amendments - General. 11

ARTICLE XIV: ENDOWMENT FUND 11

Section 14:1 Endowment Fund - General. 11

Section 14:2 Receipt of Gifts 11

Section 14:3 Acknowledgment of Gifts 11

Section 14:4 Restricted Gifts 12

Section 14:5 Use of Endowment Fund 12

Section 14:6 Expenditure of Net Income 12

Section 14:7 Investment and Reinvestment of the Funds by the Board of Trustees 12

ARTICLE XV: BOOKS AND RECORDS 14

Section 15:1 Permanent Records 14

Section 15:2 Other Records 14

Section 15:3 Inspection of Records 14

Section 15:4 Inspection Procedure 14

**PEACE UNITED CHURCH OF CHRIST FOUNDATION
WEBSTER GROVES, MISSOURI
BYLAWS**

ARTICLE I: OFFICES

Section 1:1 Principal and Other Offices.

The principal office of the Peace United Church of Christ Foundation (the "Foundation") shall be at such place as the Board of Trustees may from time to time determine. The Foundation may have such other offices, within the State of Missouri, as the Board of Trustees may determine or as the affairs of the Foundation may require from time to time.

Section 1:2 Registered Office and Agent.

The registered office of the Foundation shall be maintained in the State of Missouri, and may be, but need not be, identical with the principal office. The registered agent of the Foundation shall maintain a street address identical to the street address of the registered office of the Foundation. The registered office and agent may be changed from time to time by action of the Foundation, with the consent of the new registered agent (if applicable) and upon appropriate notice to the Secretary of State.

ARTICLE II: THE CONGREGATION

Section 2:1 General.

The sole member of the Foundation shall be the Peace United Church of Christ, Webster Groves, Missouri (the "Congregation").

Section 2:2 Annual Meeting.

At each annual meeting of the Congregation, the Board of Trustees shall report on the activities and financial condition of the Foundation.

Section 2:3 Special Meetings.

Special meetings with the Congregation may be called by the Chairperson of the Board of Trustees or by the Board of Trustees. Special meetings with the Congregation may also be called by the Congregation.

Section 2:4 Notice.

Written notice stating the place, date, time and purpose of the meeting, shall be delivered by first-class mail or electronic mail to all members of the Congregation (the "Congregation members"), by or at the direction of the person or persons calling the meeting, not less than fourteen days before the date of the meeting. Only matters described in the notice shall be voted upon at a meeting; however, if one-third or more of the Congregation members are present at an annual or regular meeting, any matter may be voted upon at the meeting, provided that if any of the following matters are to be discussed at an annual meeting, notice of the meeting shall include a description of the matter: (a) conflict of interest transactions, (b) amendment to the Foundation's Articles or Bylaws, (c) delivery or execution of Articles of Merger, (d) disposition of the Foundation's property, (e) dissolution of the Foundation, or (f) approval of the dissolution of the Foundation. If a person entitled to call a

special meeting submits to the Chairperson or Secretary of the Foundation a written request (at least ten days before the Foundation gives notice of a meeting) that a particular matter be raised at an annual, regular or special meeting, the notice for such meeting shall include a description of the matter. Notice by mail shall be deemed delivered upon the earlier of receipt; or five days following deposit, with postage thereon prepaid, in the United States mail addressed to the Congregation members at their addresses as they appear on the records of the Congregation or five days following the sending of electronic mail addressed to the Congregation members at their electronic addresses as they appear on the records of the Congregation.

ARTICLE III: TRUSTEES

Section 3:1 General Powers.

The business and property of the Foundation shall be managed and controlled by the Board of Trustees of the Foundation.

Section 3:2 Composition.

The Board of Trustees shall consist of six individuals elected by the Congregation members. All Trustees shall be members of the Congregation. No Trustee shall simultaneously serve as a member of the Governing Body of the Congregation or a paid employee of the Congregation.

Section 3:3 Number.

The number of Trustees of the Foundation may be increased or decreased by amendment to the Bylaws in the manner set forth in Article XIV.

Section 3:4 Nomination Procedure.

Nominations of Trustees shall be made by the committee responsible for nominating members to church committees. Currently that committee is the Nominating Committee of the Church's "People Team."

Section 3:5 Election.

Trustees shall be elected by a majority of the votes cast at the duly called and convened winter meeting of the Congregation.

Section 3:6 Term of Office.

Subject to the provisions of the Articles of Incorporation and Sections 3:7 and 3:8 below, each Trustee shall hold office for a term of three years and, notwithstanding that the number of Trustees may be decreased by amendment adopted by the Congregation, each Trustee in office shall serve until the earlier of the end of his or her respective term or his or her death, disability, removal or resignation. Trustees shall serve for staggered terms so that two are elected at each winter meeting of the Congregation., A Trustee shall be ineligible to be re-elected after having served three consecutive full three-year terms in office. A Trustee may be eligible for re-election thereafter upon the expiration of one year.

Section 3:7 Resignation.

Any Trustee may resign at any time by delivering written notice of such resignation to the Board, the Chairperson, or the Secretary of the Board. The resignation shall become effective upon delivery of the notice unless the notice specifies a later effective date.

Section 3:8 Removal.

The Congregation may at any time and for whatever reason or cause as they may deem best in its sole discretion, remove any Trustee by a two-thirds majority vote of the Congregation members at a duly called and convened meeting of the Congregation. Before such a removal is made, the Trustee upon whom the vote is to be taken must be given at least seven days written notice of such. If a Trustee is removed, then his or her successor shall be elected as provided in Section 3:9 below.

The Trustees of the Foundation may remove any Trustee not regularly participating in the meetings and ongoing activities of the Foundation. Any act of misconduct or wrongdoing may also be grounds for removal

Section 3:9 Vacancies.

Any vacancy occurring in the Board of Trustees, including a vacancy created by an increase in the number of Trustees made by amendment to these Bylaws, may be filled by majority vote of all Trustees then serving, subject to confirmation by a majority vote of the Congregation at its next convened meeting.. The successor Trustee(s) so elected shall serve for the balance of the term(s) of the person(s) whose death, disability, removal or resignation resulted in the vacancy. If the vacancy is the result of an increase in the number of Trustees, an initial term shall be established for each new Trusteeship in order to maintain the staggered terms provided in Section 3:6 above.

Section 3:10 Regular Meetings.

The Board may, from time to time, provide for regular meetings, which may thereafter be held at the time and place designated without notice thereof to the Trustees; provided, however, that any Trustee absent from the meeting at which such resolution was adopted shall be notified of the adoption thereof not less than three days prior to the first regular meeting to be held pursuant thereto.

Section 3:11 Special Meetings.

Special meetings of the Board of Trustees may be called by the Chairperson or Secretary and must be called by any of them on written request of any three members of the Board of Trustees.

Section 3:12 Special Invitees.

The pastor, the President of the Governing Body of the Congregation, and the leader of the "Finance Team" or its successor shall be invited to attend all meetings of the Trustees, but shall not be entitled to vote on any matter considered at any such meeting.

Section 3:13 Notice.

Notice of all Trustees' meetings, except as herein otherwise provided, shall be given either in person or by mail at least two days (but not more than forty days) before the meeting to the usual business or residence address of each Trustee. Notice shall state the time, place, date, and, if the notice is notice of a special meeting, purpose of

the meeting. Notice delivered in person or by electronic mail shall be deemed delivered upon transmission. Notice delivered by mail shall be deemed delivered upon the earlier of receipt or five days after deposit of the notice in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first class postage affixed.

Section 3:14 Waiver.

Any Trustee may waive notice of any meeting at any time. The waiver must be in writing, signed by the Trustee entitled to the notice and filed with the minutes or the corporate records. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting except where such Trustee (a) objects to the transaction of any business because the meeting is not lawfully called or convened, and (b) does not vote for or assent to the objected to action.

Section 3:15 Quorum.

At all meetings of the Board of Trustees, a majority of the Trustees then in office shall be necessary and sufficient to constitute a quorum for the transaction of business either in person or by telephone conference call and the act of the majority of the Trustees present either in person or by means of telephone conference call at any meeting at which a quorum is present shall be the act of the Board of Trustees except as may be otherwise specifically provided by these Bylaws. If at any meeting less than a quorum is present, a majority of those present may adjourn the meeting and reconvene it on a subsequent date without further notice to any absent Trustees.

Section 3:16 Action By Board Without a Meeting.

Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if all Trustees consent in writing (or suitable electronic form). Such actions will be acknowledged in the minutes to be approved at the next meeting in the usual fashion. .

Section 3:17 Compensation of Trustees.

Trustees shall not receive any compensation for their services as such.

Section 3:18 Reimbursement of Expenses.

By resolution of the Board, expenses of attendance, if any, may be allowed for attendance at each meeting of the Board.

Section 3:19 Committees.

The Board of Trustees may by general resolution delegate to committees composed of at least two of their own number and to officers of the Foundation, such powers as it may see fit subject to the provisions of Article V of these Bylaws.

Section 3:20 Extent of Corporate Powers.

Without limiting the generality of the foregoing, the Board of Trustees shall have the power to conduct, manage and administer all of the affairs of the Foundation, including the power to acquire, purchase, lease, rent, sell, transfer, convey, or otherwise dispose of all real and personal property necessary to conduct the business of the Foundation; to borrow money and to pledge and mortgage all or part of the assets of the Foundation, both real and personal, to secure any such loans; to accept and receive or reject grants, gifts, bequests and devises of any

funds, securities, real or personal property, or services offered, granted or donated to it by any person or persons, by any Foundation or organization, by any federal, state or governmental authority, or by any public or private agency, for any general or specific purpose; and said Board shall use, manage and conduct such property for the use and benefit of the Foundation.

Section 3:21 Annual Audit.

The Trustees shall ensure that they receive audited statements at least annually from every professional investor that manages the funds of the Foundation.

ARTICLE IV: OFFICERS

Section 4:1 Appointment.

The Board of Trustees shall elect or appoint the officers of the Foundation. Such election or appointment shall regularly take place at a duly called and convened meeting of the Board of Trustees.

Section 4:2 Principal Executive Officers.

The officers of the Foundation shall be a Chairperson, a Treasurer, and a Secretary who are members of the Board of Trustees. The Board of Trustees may appoint such other officers, agents or managing employees as they shall deem necessary who shall have such authority and perform such duties as may be prescribed from time to time by the Board of Trustees. Any two offices may be held by the same person.

Section 4:3 Vacancy.

In case any office of the Foundation becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the Trustees then in office may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the election and qualification of a successor.

Section 4:4 Term of Office.

Each elected or appointed officer shall serve for a term of one year or until his or her successor shall be elected and qualified, unless otherwise herein specified.

Section 4:5 Chairperson of the Board.

The Chairperson of the Board of Trustees (or, in his or her absence, a designee) shall preside at all meetings with the Congregation and of the Board of Trustees. The chair will vote on matters before the Board only in the event of a tie. He or she shall be an ex officio voting member of all standing or special committees. The Chairperson shall have general oversight and supervision of the affairs and activities of the Foundation and shall see that all resolutions of the Board are carried into effect. The Chairperson may hire third parties to assist him or her in carrying out such duties consistent with the resolutions of the Board. He or she shall do and perform such other duties as may be assigned to him or her by the Board of Trustees.

Section 4:6 Treasurer of the Board.

The Treasurer of the Board of Trustees shall have general charge of the funds and financial records of the Foundation. The Treasurer shall be responsible for monitoring the financial records of the Foundation. This

will include insuring that the calculations of the disbursements are accurate and consistent with *Section 14:6* and any implementing Resolutions then in effect. The Treasurer will monitor the activity of the Investments, maintain and co-sign the Foundation banking records and participate with other Officers in the preparation of financial reports. The Treasurer shall be the official designated liaison to the Finance Team of the Governing Body. He or she shall do and perform such other duties as may be assigned to him or her by the Board of Trustees. .

Section 4:7 Secretary of the Board.

The Secretary shall have charge of such books, documents and papers as the Board of Trustees may determine. He or she (or in absence of the Secretary, a designee) shall attend all meetings of the Board of Trustees and shall keep permanent minutes of the meetings. He or she shall, perform all the duties incident to the office of Secretary, subject to the control of the Board of Trustees and shall do and perform such other duties as may be assigned to him or her by the Board of Trustees

Section 4:8 Removal.

Any officer, agent or managing employee who fails to regularly participate in the ongoing activities of the Foundation may be subject to removal at any time by the affirmative vote of the majority of the members of the Board of Trustees.

Section 4:9 Resignation.

An officer may resign at any time by delivering notice to the Board of Trustees or the Chairperson. A resignation is effective when the notice is delivered unless the notice specifies a future effective date.

ARTICLE V: COMMITTEES

Section 5:1 Committees.

The Board of Trustees by resolution adopted by the majority of the Trustees in office may establish one or more committees, each of which shall, to the extent provided in said resolution, shall have and exercise the authority of the Board of Trustees in the management of the Foundation. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon it or him or her by law. The Board of Trustees shall have the authority to discontinue such committee or remove any committee member at any time with or without cause.

Section 5:2 Limitations on Authority of Committees.

No such committee shall have the authority of the Board of Trustees in reference to the following: amending, altering or repealing the Articles of Incorporation or Bylaws; electing, appointing, or removing any member of any such committee or any Trustee; approving or recommending a plan of merger or a plan of consolidation with another Foundation; approving or recommending the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the Foundation; approving or recommending the voluntary dissolution of the Foundation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Foundation; authorizing distributions to the Congregation, Trustees, officers, agents or employees except in exchange for value received; or amending, altering, or repealing any resolution of the Board of Trustees.

Section 5:3 Term of Committee Members.

Each member of each committee of the Board of Trustees shall continue as such until his or her successor is appointed in accordance with Section 5: 1 above, unless the committee ceases to exist or unless such member is removed or ceases to qualify as a member thereof.

Section 5:4 The Chairperson.

One member of each committee shall be appointed chairperson by the Chairperson of the Board of Trustees.

Section 5:5 Vacancies.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 5:6 Quorum.

Unless otherwise provided in the resolution of the Board of Trustees designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 5:7 Rules Governing Committees.

Each committee may adopt rules for its own government not inconsistent with the Bylaws or with the rules adopted by the Board of Trustees or with the Foundation's Articles of Incorporation.

ARTICLE VI: INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHERS; INSURANCE

Section 6:1 Liabilities Covered.

A. The Foundation shall indemnify any person who was or is 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, by reason of the fact that he or she is or was a Trustee or officer of the Foundation or its predecessor Trust, against expenses (including attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, to the full extent and under the circumstances permitted by law; provided, however, that the Foundation shall have no obligation to pay any amounts hereunder with respect to any settlement to which it has not previously agreed in writing.

B. In addition, the Foundation may (but shall not be obligated to) indemnify any person who was or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was an employee or agent of the Foundation or is or was serving at the request of the Foundation's predecessor Trust, against expenses (including attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceedings, to the full extent and under the circumstances permitted by law.

C. Indemnification under paragraphs A and B shall or may (as the case may be) be provided hereunder, unless the conduct of the person to be indemnified is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct.

D. Notwithstanding anything set forth herein, no indemnity shall be paid by the Foundation in respect of remuneration paid to any person if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law.

Section 6:2 Procedures for Indemnification.

Any indemnification under paragraph A of Section 6:1 (unless ordered by a court) shall be made by the Foundation unless a determination is reasonably and promptly made that indemnification is not proper in the circumstances because the person to be indemnified has not satisfied the conditions set forth in such Section 6: 1. Any indemnification under paragraph B of Section 6:1 (unless ordered by a court) shall be made as authorized in a specified case upon a determination that indemnification is proper in the circumstances because the person to be indemnified has satisfied the conditions set forth in such Section 6: 1. Any such determination shall be made (a) by the Board of Trustees by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit or proceeding, (b) if such a quorum is not obtainable, or even if obtainable a quorum of disinterested Trustees so directs, by independent legal counsel in a written opinion, or (c) by the Congregation.

Section 6:3 Advance Payment of Expenses.

A. With respect to any person entitled to be indemnified under paragraph A of Section 6: 1, expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Foundation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the person seeking such advance to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Foundation as authorized in this Article VI.

B. With respect to any person who may be indemnified under paragraph B of Section 6: 1, expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Foundation in advance of the final disposition of the action, suit or proceeding as authorized by the Board of Trustees of the Foundation in a specific case upon receipt of an undertaking by or on behalf of the person seeking such indemnification to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Foundation as authorized in this Article VI.

Section 6:4 Extent of Rights Hereunder.

The foregoing rights of indemnification shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under the Articles of Incorporation, Bylaws, or any agreement, vote of the Congregation or disinterested Trustees or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Trustee, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6:5 Purchase of Insurance.

The Board of Trustees may authorize the purchase and maintenance of insurance on behalf of any person who is or was a Trustee, officer, employee or agent of the Foundation or its predecessor Trust, against any liability asserted against him or her and incurred by him or her in such capacity or arising out of his or her status as such.

ARTICLE VII: CONFLICT OF INTEREST TRANSACTIONS

Any transaction in which a Trustee or officer of the Foundation has a material interest shall be approved in advance by the vote of a majority of Trustees on the Board who have no direct or indirect interest in the transaction, provided the transaction may not be approved by a single Trustee. The Trustees shall approve the transaction if (a) the material facts of the transaction and the Trustee's or officer's interest are disclosed to the Board and (b) the Trustees in good faith reasonably believe that the transaction is not unfair to the Foundation. If a majority of the Trustees who have no direct or indirect interest in the transaction vote to approve the transaction, such vote shall be valid even if there is not a quorum of Trustees present at the meeting. The presence of, or a vote cast by, a Trustee with a material interest in the transaction does not affect the validity of any action taken under this Article if the transaction is otherwise approved as provided for in this Article. A conflict of interest transaction is not voidable or the basis for imposing liability on a Trustee if the transaction was not unfair to the Foundation at the time it was entered into or is approved as provided in this Article or as otherwise permitted by law. In no event shall any person or other entity dealing with the Trustees or officers be obligated to inquire into the authority of the Trustees and officers to enter into and consummate any contract, transaction, or other action.

ARTICLE VIII: CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 8:1 Contracts.

The Board of Trustees may authorize the Treasurer, or any officer or officers, agent or agents or managing employee or employees of the Foundation to undertake financial transactions involving Foundation funds and enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or be confined to specific instances, not incompatible with the Foundation's Articles of Incorporation or Bylaws.

Section 8:2 Checks. Drafts. Money Orders. and Notes.

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation, shall be signed by such officer or officers, agent or agents of the Foundation or managing employee or employees and in such manner as shall from time to time be determined by resolution of the Board of Trustees. In the absence of such determination of the Board of Trustees, such instruments shall be signed by the Chairperson.

Section 8:3 Deposit of Funds.

All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies or other depositories as the Board of Trustees may select.

Section 8:4 Bonding.

Officers and employees of the Foundation as determined by the Board of Trustees may be bonded by a surety company for the safeguard of funds, securities and records. The amount of the bond, if any, shall be fixed by the Board of Trustees. Cost of the bond shall be borne by the Foundation.

ARTICLE IX: INVESTMENTS

The Foundation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Trustees, without being restricted to the class of investments which a Trustee is or may hereafter be permitted by law to make or any similar restriction.

ARTICLE X: VOTING OF SHARES OF OTHER ORGANIZATIONS

Unless otherwise ordered by the Board of Trustees, the Chairperson shall have full power and authority on behalf of the Foundation to vote either in person or by proxy at any meeting of shareholders of any corporation or other organization in which the Foundation may hold shares, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such shares which, as the owner thereof, the Foundation might have possessed and exercised if present. The Board of Trustees may confer like powers upon any other person and may revoke any such powers as granted at its pleasure.

ARTICLE XI: PROHIBITIONS

Section 11:1 Distribution of Earnings or Profit.

No Trustee, officer, employee, or committee member of the Foundation, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Foundation, provided that such shall not prevent the payment to any such person of such reasonable compensation for service rendered to or for the Foundation in effecting any of its purposes as shall be fixed by the Board of Trustees; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Foundation.

Section 11:2 Actions by Trustees. Officers. Employees or Representatives.

Notwithstanding any other provision of these Bylaws, no Trustee, officer, employee or representative of the Foundation shall take any action or carry on any activity by or on behalf of the Foundation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

Section 11:3 Propaganda; Political Campaigns.

No substantial part of the activities of the Foundation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLE XII: FISCAL YEAR

The fiscal year of the Foundation shall be established by resolution of the Board of Trustees.

ARTICLE XIII: AMENDMENTS

Section 13:1 Amendments - General.

The Congregation shall have the power to make, amend, and repeal the Bylaws of the Foundation by a resolution approving the proposed amendment adopted by the lesser of 1) two-thirds of the Congregation members represented at a duly called and constituted meeting of the Congregation, or 2) a majority of all members of the Congregation, provided that notice of each such proposed change shall have been given in writing to the Congregation members not less than thirty days prior to such meeting. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment. The Board of Trustees must approve any amendment to the Bylaws unless the amendment relates to the number of Trustees, the composition of the Board of Trustees, the term of office of the Trustees, or the method or way in which Trustees are elected or selected.

ARTICLE XIV: ENDOWMENT FUND

Section 14:1 Endowment Fund - General.

As used herein, "income" shall include all income received by the Foundation from the property constituting the Endowment Fund including, without limitation, interest, dividends, and so much of the net appreciation, realized and unrealized, in the fair value of the assets of the Endowment Fund over the "historic dollar value" (as defined in R.S.Mo. section 402.010) of the fund as is prudent under the standards established herein and by R.S.Mo. section 402.035. As used herein, "net income" shall mean income as defined herein, less all charges and all expenses which the Foundation may incur in connection with the ownership, investment and reinvestment of such property. All of the investment funds held by the Foundation, including all net income earned on such funds (herein referred to collectively as the "Endowment Fund") shall be held by the Foundation in accordance with the provisions of this ARTICLE XIV.

Section 14:2 Receipt of Gifts.

The Foundation shall have the power to receive as a part of its Endowment Fund, directly from any individual, firm, corporation or other entity, as a donor, gifts and contributions in money, securities, or in any other form of property, including, by way of explanation and not in limitation, direct gifts for the purposes of its Endowment Fund, gifts in memory of any deceased person or in appreciation or recognition of any living person, gifts in the form of a devise or bequest under a Will or Trust Instrument, and gifts of proceeds or portions of proceeds of insurance, annuity, or endowment policies or contracts.

Section 14:3 Acknowledgment of Gifts.

The Foundation shall establish means for acknowledging the receipt of each gift and contribution including, whenever feasible, a designation of the value ascribed to each gift. The Foundation may in its discretion, but shall not be obligated to, accept gifts made upon special terms or conditions or containing limitations or directions as to the investment or use of the substance of the gift, the use or accumulation of the income, and the ultimate disposition of the gift and any accumulations of income (as distinguished from those terms and conditions hereafter specifically set forth), and may arrange for separate identification and recording of all transactions with respect to any such special or restricted gift or gifts.

Section 14:4 Restricted Gifts.

Income which, under special conditions of a gift, is required to be distributed for the support, use and maintenance of a specific ministry or purpose of the Congregation or Foundation, shall be distributed for that purpose or ministry as long as it continues to exist. If that ministry or purpose is discontinued or otherwise ceases to exist, the income shall then be distributed as determined by the Board of Trustees.

The Foundation shall honor donors' specific, written restrictions or directions relating to, and made at the time of, endowment donations to the Foundation unless such written restrictions or directions are released through written consent of the donor or as otherwise provided by law.

Section 14:5 Use of Endowment Fund.

The net income of the Endowment Fund shall be used, applied and/or distributed for the following purposes and uses, at such times and in such amounts as shall be determined by the Board of Trustees, subject to the limitations set forth in Section 14:6:

To provide for the proper management, conservation, and disbursement of funds made available for the operation and support of the PEACE UNITED CHURCH OF CHRIST OF WEBSTER GROVES, MISSOURI, and its related activities, including other charitable, educational, and religious organizations to which it desires to contribute financial support and which are themselves exempt from the payment of income tax under the laws of the United States relating to exemption from income tax of organizations broadly described as "charitable organizations."

Section 14:6 Expenditure of Net Income.

A. Unless otherwise limited by the applicable gift instrument, the Trustees may accumulate so much of the annual net income of an Endowment Fund as is prudent under the standards established herein and by R.S.Mo. section 402.035, and may hold any or all of such accumulated income in an income reserve for subsequent expenditure for the uses and purposes for which this Endowment Fund is established, or may add any or all of such accumulated income to the principal of the Endowment Fund as is prudent under such standards.

B. Unless otherwise limited by the applicable gift instrument, the Trustees may appropriate for expenditure for the uses and purposes for which the Endowment Fund is established so much of the net income of the assets of the Endowment Fund as is prudent under the standards established herein and by R.S.Mo. section 402.035.

C. This section 14.6 does not limit the authority of the Trustees to accumulate income or to add the same to principal of the Endowment Fund or to expend funds as permitted under the terms of the applicable gift instrument.

D. Subsection C. of this section 14.6 shall not apply if the applicable gift instrument indicates the donor's intention that net appreciation shall not be expended as part of net income.

A restriction upon the expenditure of net appreciation may not be implied from a designation of a gift as an endowment, or from a direction or authorization in the applicable gift instrument which does not clearly evidence an intention that net appreciation not be expended.

E. In no event shall the Trustees appropriate for expenditure in any year an amount greater than seven percent (7%) of the fair market value of the Endowment Fund, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than four (4) years immediately preceding the year in which the appropriation for expenditure is made. This subsection does not apply to an appropriation for expenditure permitted by the applicable gift instrument.

Section 14:7 Investment and Reinvestment of the Fund by the Board of Trustees.

The provisions of this Section 14:7 shall apply to the management of the Endowment Fund by the Board of Trustees.

A. The Foundation shall invest and reinvest the property constituting the Endowment Fund, and each investment shall be managed and protected in accordance with the principles herein established. Trustees shall retain and oversee professional investment managers. Trustees shall not have the authority to manage investments of Endowment Funds themselves. In exercising the authority granted in this Section, the Foundation shall be guided by its concept of the policy of a prudent investor whose investment purpose includes both income and capital appreciation and shall not otherwise be restricted by any law, rule or custom (i) requiring safety of principal as a primary consideration, or (ii) requiring diversification of investment; provided, that the Foundation shall not be obligated to amortize out of, or reimburse, income for any premium or discount incurred upon the acquisition of any property of the Endowment Fund. In amplification, but not limitation, of the foregoing, the Foundation may:

- (i) acquire interests in property by purchase, lease, rental or other method; sell, option, exchange, redeem, or convert any property interests; and rent or lease property of the Endowment Fund;
- (ii) exercise all rights and privileges accruing to a holder of securities including (without limitation) all conversion, subscription, and preemptive rights; deposit any securities with, delegate discretionary power to, and participate, cooperate and contract with, as a member or otherwise, any protective committee of security holders; and effectuate any merger, consolidation, dissolution, reorganization or financial adjustment of the issuer of any securities and/or any transfer, demise, or encumbrance of any of its properties;
- (iii) abandon any property interest deemed worthless or of insignificant value;
- (iv) borrow money from any source, encumber property of the Endowment Fund and repay any loan secured by property of the Endowment Fund;
- (v) foreclose any mortgage, lien, or other encumbrance, and purchase the encumbered property, whether through foreclosure or private arrangement;
- (vi) establish and maintain, out of income, depreciation, depletion and/or amortization reserves;
- (vii) maintain a portion of the property constituting the Endowment Fund in liquid or nearly liquid form, even though little or no income is earned thereon; and
- (viii) manage and/or develop any real property, owned, leased or otherwise held by the Endowment Funds; erect, repair, remodel, reconstruct, demolish or remove buildings or other improvements on it; partition or subdivide it; dedicate all or part of it to public or semipublic use, and grant easement or other charges with respect to it.

B. The Foundation also may:

- (i) hold property and negotiate and execute documents on behalf of the Endowment Fund, in the name of the Foundation or in the name of nominee(s) of the Foundation, without disclosing its relationship to anyone;
- (ii) allocate between income and principal (in cases where reasonable doubt, in the opinion of the Foundation, of the applicable accounting standard exists) in equitable proportions (as decided by the Foundation) any money or other property received, and any loss or expenditure incurred;
- (iii) vote, or refrain from voting, securities having voting privileges, and give any type of proxy (with or without voting directions) to vote the same;
- (iv) make divisions and distribution of property held in the Endowment Fund either in kind or in cash, or partly in kind and partly in cash, and for such purpose to set values upon any property of the Endowment Fund;
- (v) protect the Endowment Fund and its property by insurance against damage, loss or liability;
- (vi) establish checking account(s) in which may be deposited income and/or principal cash;
- (vii) employ, at the expense of the Endowment Fund, attorneys, brokers, custodians of assets, and other agents and employees;
- (viii) accept and receipt for any *inter vivos*, testamentary or other transfer of property, of, or to, the Endowment Fund.

C. Within three months after the close of each of the Foundation's fiscal years, and at such other time(s) as the Foundation deems convenient, the Board of Trustees shall review an itemized written statement accurately reflecting the position of the Endowment Fund's income and principal accounts as of a date reasonably close to the date the statement is submitted, and the receipts, disbursements and changes therein since the Endowment Fund's inception or the previous accounting, as the case may be. A summary of such statement shall be presented to the Governing Body thirty days after the end of each quarter and to the Congregation at least once

during each calendar year.

ARTICLE XV: BOOKS AND RECORDS

Section 15:1 Permanent Records.

The Foundation shall maintain as permanent records minutes of all meetings of its Board of Trustees and committees of the Board of Trustees and records of any actions taken by them without a meeting.

Section 15:2 Other Records.

The Foundation shall maintain at its principal office a copy of (a) the Foundation's current Articles of Incorporation and Bylaws, including all amendments, (b) a list of the names and addresses of the Foundation's current Trustees and officers, (c) the Foundation's most recent annual report filed with the Secretary of State, (d) appropriate financial statements of the Foundation's income and expenses and other appropriate accounting records, (e) all resolutions adopted by the Board of Trustees relating to the characteristics, qualifications, rights limitations and obligations of the Foundation, (f) the minutes of all meetings of the Foundation and records of all actions approved by the Foundation for the past three years, and (g) all written communications by the Board of Trustees to the Congregation within the past three years, including the annual financial reports. These records shall be maintained either in written form or a form capable of conversion into written form within a reasonable period of time.

Section 15:3 Inspection of Records.

The Foundation shall permit any Congregation member to inspect the records of the Foundation maintained pursuant to Sections 15: 1 and 15 :2, provided that the Foundation shall not be required to disclose any information concerning donors, gifts and contributions. The Foundation shall permit the Trustees to inspect the Foundation's records at least to the extent permitted by law.

Section 15:4 Inspection Procedure.

Any Congregation member requesting inspection of the Foundation's records must (a) give the Foundation written notice at least five business days prior to the desired inspection, (b) describe with reasonable particularity the purpose and the records the individual desires to inspect, and (c) demonstrate a direct connection between the purpose for inspection and the requested records. The Foundation may charge a fee for the cost of labor and materials necessary to comply with the request.