



## 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: March 4, 2018

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Thomas E. Gallagher, MD  
Interim Chair/President

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Michael P. Hamnett, PhD  
Interim Secretary/Treasurer