

COLUMBIA CONGREGATIONAL CHURCH LEGACY ENDOWMENT FUND

The Columbia Congregational Church (the "Church") hereby establishes the Columbia Congregational Church Legacy Endowment Fund (the "Endowment"). The purpose of the Endowment shall be to build a permanent endowment fund which shall support such specific projects or such general needs and missions of the Church as are permitted by this trust indenture (this "Indenture"). It is not intended that the Endowment replace the Church's Memorial Fund or any other fund the primary purpose of which is to assist the Church in funding specific projects or activities.

The Endowment is designed and intended to preserve forever the original value of all gifts to it, adjusted for inflation and deflation to the extent provided herein. To fulfill this objective, a) the Endowment shall be invested in accordance with a reasonable and prudent investment policy established from time to time, as provided below, b) an annually expendable portion of the Endowment's assets shall be determined in accordance with a reasonable and prudent total return spending policy, as established below, and c) available funds shall be used to support the needs and mission of the Church, as shall from time to time be determined by the Church, subject to the limitations stated below.

It is the desire of the Church at the time this Endowment is first established that the Endowment be viewed as more than just a source of sustaining revenues for the support of routine Church financial requirements. While the Endowment can and will serve from time-to-time as just such a source, it is the inspiration of the adopting members of the Church that the Endowment also act to stimulate new passion for the mission of the Church, the Christian way of life and God's and Christ's love of man and the greater universe and Christians' love of God and Christ and the universe around them by the Endowment's providing seed or partially sustaining funding for new and creative ideas and broader involvement in the Church community, ecumenical relations, the greater local community and the universe beyond.

Contributions

Each donor wishing to make a contribution to the Endowment shall designate in writing that the donor's gift is being made to the Columbia Congregational Church Legacy Endowment Fund. By making such a designation, the donor shall be deemed to have been familiar at the time of the gift with a) the Endowment's purpose, b) this Indenture and any amendments thereto existing at the time of the gift, c) limitations on the property that may be given to and accepted by the Endowment; and d) actions of the Church taken in accordance with this Indenture, as it may have been amended. The donor shall also be deemed to have made such gift with the intent that it be subject to the terms and conditions of this Indenture, as the same may have been amended at

the time of the gift and as it may thereafter be further amended from time to time in accordance with its terms. Any such gift shall be received by the Church and administered and used in accordance with the terms of this Indenture, as it may be amended.

The Endowment may accept contributions or pledges from any individual or legal entity at any time in any amount. However, only acceptable gifts valued over \$10,000 for each individual, family group or entity shall lead to membership and named recognition in the Columbia Congregational Church Legacy Endowment Society, as provided below.

The \$10,000 minimum contribution level shall be adjusted on January 1, five years from the date of this Indenture and on January 1 every five years thereafter to reflect any intervening monetary inflation. Such adjustment shall be recommended by the Investment Committee based upon any methodology then commonly used in the commercial world for such purposes. Such recommendation shall be reviewed and approved or disapproved, but not altered or amended, by the Church's governing body by majority vote at a meeting at which a quorum is present. Pledges made or future interests granted by will, trust, beneficiary designation or other instrument dated prior to each such vote shall remain subject to the minimum contribution in effect upon the date of execution, and, in the case of a pledge, delivery.

Gifts to the Endowment may come from any source. The Endowment will not accept real property nor will it accept any personal property that the Investment Committee of the Church determines, in its sole discretion, can not be readily liquidated. Gifts may be of an immediate present interest in the donated property or may be pledged over a multiple year period up to a total of five years measured from the date of the initial pledge. Gifts may also be of future interests and made by will, trust, beneficiary designation or other instrument.

Donors shall not have the ability to direct the use of any property donated to the Endowment. Such use shall remain in control of the Church as provided herein. Donors shall also not have the ability to require that any particular donation be established as a sub-fund or otherwise separately named or accounted for.

Investment Committee

The Church's governing body shall appoint an Investment Committee in accordance with the Bylaws of the Church or other relevant governing document. The Investment Committee shall be empowered to accept appropriate gifts to the Endowment and to hold, sell, exchange, reject, transfer, convert, invest, reinvest, and in all other respects manage and control the assets of the Endowment as in and in accordance with applicable law and wise and prudent judgment. The Committee shall report to the Church Council at least twice a year and to the Church's governing body at its annual meeting.

Members of the Investment Committee shall not be held liable for their or its decisions or other acts or omissions regarding the acceptance of gifts or the assets of the Endowment, this Indenture, or the herein referenced investment or spending policies unless the same constitutes a transgression of the requirements of the Uniform Prudent Management of Institutional Funds Act as adopted in Connecticut and amended from time to time, or of any successor thereto or replacement thereof, and then only to the extent that the Church suffers any loss, other than one that is covered by any liability insurance that it may from time to time maintain. No Investment Committee member shall engage in any self dealing transaction with the Endowment in which the member has a direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interest would conflict with the interest of the Endowment.

Investment Policy

The Endowment's assets shall be invested in accordance with a reasonable and prudent investment policy that is consistent with all applicable laws governing endowments of this sort and that is adopted by the Investment Committee or Church Council, each voting as provided below for amendments, and ratified by the Church's governing body, unless an initial investment policy is proposed by a special ad hoc committee (an "Ad Hoc Committee"), which may have been appointed by Church Council for the purpose of adopting the initial investment policy and initial spending policy reference below, and is ratified by the Church's governing body at the time that the Endowment is established by the Church's governing body. The Church's Investment Committee may at any time and from time to time endorse any amendment to such investment policy as it deems reasonable and prudent by a majority vote of its current membership with right to vote, provided that no such amendment shall take effect until it has also been reviewed and approved by Church Council by a majority vote of all Council members then in office with right to vote and ratified by the Church's governing body as provided below.

Similarly, the Church Council may at any time and from time to time propose and endorse any amendment to such investment policy by the above required vote, provided that no such amendment shall take effect unless it is also reviewed and approved by the Church's Investment Committee by a majority vote of its current membership with right to vote, subject to ratification by the Church's governing body, or unless, after receipt of comments from the Church's Investment Committee on the specific amendment, Church Council approves the amendment by a vote of 80% of its current membership with right to vote, subject to ratification by the Church's governing body.

In adopting and amending such investment policy, the Ad Hoc Committee or the Investment Committee, as the case may be, shall have obtained guidance from

investment advisors experienced in the management and investment of socially responsible endowment funds.

For purposes of clarity, the Church's governing body shall have the ability to ratify or reject, but not alter or amend the initial investment policy and any and all amendments thereto.

Spending Policy

The annually expendable portion of the Endowment assets shall be determined on a total return basis taking into account both income earned by the Endowment and the net appreciation, realized and unrealized, of the fair market value of the Endowment's assets in accordance with a total return spending policy. The Endowment's total return spending policy shall be consistent with the requirements of this instrument. It shall be established by the Investment Committee and ratified by the Church's governing body unless the initial spending policy is proposed by an Ad Hoc Committee and ratified by the Church's governing body at the time the Endowment is established. Once adopted, the spending policy may only be amended in the same manner and by the same voting requirements as required for an amendment of this Indenture. Guidance from investment and legal advisors experienced in the management, investment and use of endowment funds shall be sought and considered prior to the adoption of any amendment to such total return spending policy.

A goal of the total return spending policy shall be to avoid having the fair market value of the assets of the Endowment as determined once each year (the "Determination Date") fall below the aggregate date-of-gift value of all gifts to the Endowment as of the Determination Date, after such aggregate date-of-gift value has been adjusted in accordance with such spending policy for inflation and deflation over time, provided that any such deflationary adjustment to the aggregate date-of-gift value of all gifts shall not be made if the net effect of such adjustment would be for the otherwise so adjusted aggregate date-of-gift value of all gifts to be less than the aggregate unadjusted date-of-gift value of all gifts. The total return spending policy shall contain prudent provisions for a reduction or elimination of the spending of Endowment assets under such circumstances. Such provisions shall require the Investment Committee to take prudent action to restore such aggregate value over a reasonable period of time. The spending policy shall require under such circumstances for the Investment Committee to balance any planned spending and budget commitments based on the existing total return spending policy against the needed restoration of Endowment asset value and to modify the spending under the policy one or more times with the goal of promoting such recovery to occur within a time period that is consistent with the Church's fiduciary responsibilities to Endowment donors and consistent with the requirements of the following sentence. If the goal set forth in the first sentence of this paragraph is not met at the end of any fiscal year of the Church, and, notwithstanding any reduction in spending implemented under the spending policy then in place, such goal has not been satisfied by the end of the third fiscal year

thereafter, no portion of the Endowment assets shall be distributed in any subsequent fiscal year for anything other than the costs of professional investment and management and legal advice, until the goal set forth in the first sentence of this paragraph is again satisfied at the end of a fiscal year of the Church.

No total return spending policy shall permit any portion of the Endowment to be spent in any year on anything other than costs of professional investment and management and legal advice, until the aggregate principal in the Endowment first exceeds one hundred thousand dollars.

For purposes of clarity, the initial spending policy, and any and all amendments thereto shall be submitted to the Church's governing body for ratification or rejection, but not alteration or amendment, prior to their becoming effective.

Permitted Uses and Expenditures

Endowment funds made available by the applicable spending policy for expenditure in any given fiscal year may be withdrawn in one or multiple increments, not to exceed one withdrawal per month, on a schedule determined by Church Council or the governing body of the Church from time-to-time provided that any change in the schedule shall not take effect for at least ninety days unless an early change date is requested by Church Council or the governing body of the Church and the Investment Committee determines, upon reasonable guidance from any third-party asset manager, that an earlier change date can be given effect without experiencing any substantially increased expense or loss of value (other than market fluctuation) due to an earlier withdrawal. Withdrawn sums shall be deposited in such operational accounts as shall be specified by the Treasurer of the Church.

Such funds, subject to the limitations stated in this Indenture, shall be used to support such specific project needs or such general needs and missions of the Church as shall be determined by the Church in accordance with the following provisions and the general budgeting and accounting procedures it has in place for such fiscal year:

In any rolling ten fiscal year period of the Church, there must be two fiscal years, not necessarily consecutive, in which no more than 10% of funds available from the Endowment are spent directly or indirectly by the Church either for compensation of clergy or staff or for routine operational and maintenance expenses of real and personal property, and, in the same rolling ten fiscal year period, there must be three other years, not necessarily consecutive, in which no more than 50% of funds available from the Endowment are so used. In addition to the foregoing limitation on the use of proceeds of the Endowment to pay operational and maintenance expenses for Church-owned real and personal property, proceeds from the Endowment shall not be spent on general repairs or replacements of such property, the expense of which, under generally accepted accounting principles consistently applied, would normally be capitalized, unless at least 60% of any such capitalized expense is covered from other sources, or

unless the expenditure is a direct result of a natural casualty. For purposes of this paragraph, any new program or the acquisition of any new personal property or real estate facility, or any addition to an existing real estate facility, or remodeling of an existing real estate facility for a new use, for which, in any such case, a budgetary line item is created and maintained by the Church for multiple years, shall not be considered within the regulated scope, if otherwise applicable, of the above provisions governing use of Endowment resources for compensation for clergy or staff or for routine operational and maintenance expenses of real and personal property for a period of ten years, inclusive of the first year for which a line item is maintained therefor, unless a longer period is approved by the active members of the Church, voting as if such approval were a permanent amendment of the Endowment as hereinafter provided.

The provisions of the previous paragraph are designed to facilitate the certain goals that are referenced in the third paragraph at the outset of this Endowment.

Recognition of Donors

All who acknowledge to the Church in writing either through a pledge of a qualifying gift to the Endowment or a letter stating that the writer has executed a will, a trust, or other instrument that provides for the Church to receive a gift designated for the Endowment at some future time in the minimum amount required for membership in the Columbia Congregational Church Legacy Endowment Society on the date of such pledge or instrument, shall be members in such society from the date of such pledge or instrument; provided that such membership shall end if the applicable pledge is not honored in accordance with its tenor or if there is a revocation or change in the applicable will, trust or other instrument so as to no longer provide for a gift to the Endowment in an amount that satisfies the society membership requirement initially met. Membership status shall be extended both to the person or person's who will make an appropriate gift and, if different, to the person or members of the family who is being honored by the gift. Membership decisions shall be made by Church Council and a historic list of members shall be maintained by the Stewardship Committee or such other standing committee established by the Bylaws of the Church as may be assigned this task from time to time by Church Council. In applying these requirements, decisions should error on the side of inclusion and the offering of membership in any situation that may not otherwise be clear.

Society recognition may be extended to an individual, to husband and wife (or any other Church recognized union between two individuals), to a particular family surname, for example, "The Whelock Family" or to an entity (for example, "The Whelock Family Trust"). Gifts and pledges to the Endowment from multiple sources specifying that they are in honor or memory of any individual, couple, family or entity otherwise eligible for Society membership may be aggregated for such purpose, but only donors and pledgors giving or pledging the required minimum and the honoree shall be entitled to Society membership.

The Church shall maintain one or more stone or metal plaques of reasonable stature and proportion prominently mounted on the wall of the narthex or sanctuary that recognize, as the case may be, the names of all persons, families or entities who have given in their own names, or the names in whose honor gifts have been made to the Endowment at, or in excess of, the minimum contribution required on the date that a gift or pledge is delivered or a will, trust or other instrument providing for a gift to be made at a later date is executed. For purposes of greater clarity, no recognition on such a plaque shall be made until the required minimum gift has actually been received by the Church, but society membership can exist as of an earlier date as provided above. When the minimum contribution has been received, additional gifts from or in honor of a society member may be made at any time and appropriately acknowledged by the Church without need to make any change to the plaque. Donors may request to remain anonymous. Such plaque or plaques shall report the number of anonymous gifts received in an amount that would otherwise provide name recognition on the plaque. The year in which each gift is completed shall also be appropriately noted on the plaque.

Amendment

This instrument may not be amended to change its purpose, which is as generally articulated in the first two paragraphs of this Indenture without taking references therein to other portions of this Indenture into account. Any permitted amendment must satisfy applicable law and shall require the approval of the membership of the Church, with at least two-thirds of the active members of the Church voting in person, or by proxy in accordance with then applicable Connecticut law, in favor, at a meeting of the Church membership that has been duly noticed to all members (active, as well as inactive with known address) and expressly called for such purpose. A copy of the proposed amendment shall be included in the notice of any and each such meeting. For purposes of the foregoing sentence, active members of the Church shall be determined in accordance with the Church's Bylaws, as from time-to-time in effect, but, notwithstanding any contrary Bylaw, shall also include any non-terminated member who attends and votes at such meeting.

Construction

This Indenture shall be construed as containing the ultimate governing provisions of the Endowment. Without limiting the scope and effect of any other provision herein bearing on this topic but for purposes of greater clarity, to the extent any provision of any investment policy or spending policy or any ancillary instrument or document related to the Endowment or this Indenture at any time conflicts with or creates any ambiguity with respect to any provision of this Indenture, the provision of this Indenture shall govern and any such ambiguity or conflict shall be resolved in favor of and in accordance with this Indenture.

Adoption

To the glory of God in this 2011th year of our Savior, Jesus Christ, upon the ____ day of the month of _____, this instrument creating the Columbia Congregational Church Legacy Endowment Fund and establishing the Columbia Congregational

Church Legacy Endowment Society has been duly adopted by the vote of the membership of the Church and the President of the Church Council has been authorized to sign this Indenture on behalf of the Church.

COLUMBIA CONGREGATIONAL CHURCH

By _____,
President