



BY LAWS

THE EPISCOPAL CHURCH OF ST. MARY THE VIRGIN

2325 Union St. San Francisco CA 94123

Amended October, 2016

BY LAWS
THE EPISCOPAL CHURCH OF SAINT MARY THE VIRGIN
IN SAN FRANCISCO

A California Nonprofit Religious Corporation

ARTICLE I

Parish Part of The Episcopal Church

The Episcopal Church of Saint Mary the Virgin in San Francisco (herein called the "Parish") is an integral subordinate unit and constituent part of The Episcopal Church in the Diocese of California and the United States of America. The Constitution and Canons of The Episcopal Church (herein, the "National Constitution" and the "National Canons," respectively) and the

Constitution and Canons of The Episcopal Church in the Diocese of California (here, the "Diocesan Constitution" and the "Diocesan Canons," respectively}, now or hereafter in effect, are incorporate by reference in these Bylaws as a basic and essential part hereof. In case of any conflict between said Constitutions and Canons and the other provisions of these Bylaws, said Constitutions and Canons shall, unless contrary to the laws of the State of California, prevail. The Clerk shall keep with the original of these Bylaws, available for inspection or examination by any person entitled to examine the Bylaws, a printed copy of said Constitutions and Canons.

ARTICLE II

Members and Communicants of the Parish

Section 2.1. All persons who have received the Sacraments of Holy Baptism with water in the name of the Father and of the Son and of the Holy Spirit and whose baptism has been duly recorded in the Parish Register, and all persons confirmed or received in The Episcopal Church whose confirmation, reception or transfer are duly recorded in the Parish Register are members of the Parish.

Section 2.2. All baptized persons who have regularly participated in the public worship of the Church unless able to do so for good cause, as determined by the clergy ("Regular" is defined as participating in an average of one Eucharistic service per month); and who have made a pledge of time and talent by participating in at least one Parish ministry on a regular basis; and have made and fulfilled the obligation of an annual written financial pledge to the Parish, are members in good standing of the Parish.

Section 2.3. All members in good standing of the Parish who have been confirmed by a Bishop

of The Episcopal Church or a Bishop of a church in communion with The Episcopal Church or have been received into The Episcopal Church by a Bishop of The Episcopal Church whose confirmation or reception has been recorded in the Parish Register and who have received Holy Communion at least three times during the previous twelve months, unless unable to for good cause, are communicants in good standing of the Parish. The Rector shall determine who is a communicant in a manner consistent with the National and Diocesan Canons and subject to appeal to the Bishop.

Section. 2.4. Membership in the Parish shall terminate if a member withdraws, transfers to another congregation, ceases to possess the qualifications for membership, or ceases to conform to the national Canons. No member may assign or transfer a membership or any right arising therefrom to another person.

ARTICLE III

Parish Meetings

Section 3.1. All Parish meetings shall be held on the Parish Church premises or at such other place as may be designated for that purpose by the Vestry.

Section 3.2. There shall be an Annual Parish Meeting each year in January.

Section 3.3. A special meeting of the Parish may be called by the Rector or by vote or written request of a majority of the Vestry.

Section 3.4. Notice of the date, time, and place of every Parish meeting shall be mailed to the entire Parish no fewer than twenty (20) days prior to the date of the meeting. A statement of the general nature of the matters to be voted upon shall be included in the notice.

Section 3.5. A quorum for any meeting of the members of the Parish, duly called and noticed, shall consist of not less than one tenth (1/10) of the members of the Parish who are qualified to vote under the provisions of Section 3.7 of these Bylaws.

Section 3.6. No Parish meeting shall be valid unless the Rector or one of the Wardens is present.

Section 3.7. At every Parish meeting, any person age 16 or over whose name shall have been registered on the Parish Register for six months preceding such Parish meeting and who shall for such period have been registered on the books of the Treasurer as a regular contributor to the support of the Parish by a current stated pledge not in arrears, or by other substantial contributions of time and service deemed satisfactory by the Rector, shall be entitled to vote.

Section 3.8. No person shall be entitled to more than one (1) vote or to vote by proxy or absentee ballot.

Section 3.9. In the election of members of the Vestry, all voting shall be by ballot. If the number of candidates for election is equal to the number of vacancies to be filled, the Clerk may be

directed by the presiding officer to cast a unanimous ballot for the slate of nominees.

Section 3.10. On the written request of any three (3) qualified electors made at least ten (10) days prior to an Annual Parish Meeting, the Rector or a Warden shall, within seven (7) days after the receipt of such request, post in a conspicuous place on the Parish premises a certified list of the qualified electors. Such list shall remain posted until after the election and shall be retained by the Clerk as part of the election records.

Section 3.11. For each meeting at which members of the Vestry are to be elected, unless the number of nominees equals the number of vacancies to be filled, the presiding officer shall appoint from the qualified electors three (3) judges of the election. The judges shall canvass the ballot and certify in writing the result of the election. Whenever the right to vote is challenged, the challenged ballot shall be segregated and identified and, after the person whose ballot has been challenged has had an opportunity to be heard, the judges shall indicate thereon whether the vote was allowed or rejected and affix thereto their signatures. The Clerk shall retain all election records for delivery to the Bishop in the event an election is appealed. If no appeal is taken within the 30-day period for appeal, the election records may be destroyed.

Section 3.12. The Rector of the Parish shall be entitled to preside at all meetings of the Parish. The Rector may appoint a member of the Vestry as chairman pro tempore of a Parish meeting. In case there is no Rector or in the absence of the Rector, or if the Rector shall choose not to preside, the Senior Warden, or, if absent, the Junior Warden, shall preside at any such meeting.

Section 3.13. Any action which may be taken at any general or special meeting of members may be taken without a meeting if:

Section 3.13.1 The written ballot of every member is solicited by the Parish by a form of ballot which sets forth the action to be taken and states the deadline by which it must be returned to be counted;

Section 3.13.2. The number of votes cast by ballot on or before the time the ballots must be returned to be counted equals or exceeds the quorum required to be present at a meeting authorizing the action; and number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Section 3.14. The results of any election or summary of any action taken at a special annual meeting of the Parish shall be posted in a conspicuous place on the Parish premises within seven (7) days after the meeting.

ARTICLE IV

Nominations and Elections

Section 4.1. A Nominating Committee shall be formed in November of each year. The Chairperson shall be a member of the Vestry appointed by the Rector. The other members of the

Nominating Committee shall be persons from the congregation selected by the Rector and the Chairperson. All members of the Nominating Committee shall be qualified to vote at a Parish meeting at the time of appointment to the Committee.

Section 4.2. The Nominating Committee shall prepare a slate of nominations for election to the Vestry and as Delegates and Alternates to Diocesan Convention consisting of at least the number of vacancies to be filled.

Section 4.3. All nominees for election to the Vestry shall be baptized laypersons age 18 or over and members in good standing of the Parish. A majority of the members of the Vestry shall be communicants in good standing registered in the Parish. All nominees for election as Delegates and Alternates to Diocesan Convention shall be members of the Episcopal Church as defined by its Canons and of the Parish.

Section 4.3.1. A retiring or resigning member of the Vestry may not again serve on the Vestry until one (1) year has elapsed, except that a member completing less than one year of another's unexpired term may be elected to a full term of three (3) years.

Section 4.3.2. Incumbent Delegates and Alternates to Diocesan Convention may be re-nominated and re-elected.

Section 4.4. Additional nominations may be made from the floor at the Annual Parish Meeting according to the procedures outlined in Section 5. Nominations. Rule 5.1 of the Rules of Order for the Convention of The Episcopal Church in the Diocese of California.

Section 4.5. The ballot shall not differentiate the Nominating Committee slate from the open nominations. Incumbent Convention Delegates and Alternates shall be so designated on the ballot.

Section 4.6. In the election of Vestry members, the nominees receiving the highest number of votes shall be elected.

Section 4.7. In the election of Delegates to Diocesan Convention, the nominees receiving the highest number of votes shall be elected. In the separate election of Alternates to Diocesan Convention, the nominees receiving the highest number of votes shall be elected.

ARTICLE V

The Vestry

Section 5.1. Subject to the provisions of law, the Articles of Incorporation and these Bylaws, the Vestry shall constitute the board of directors of this corporation.

Section 5.2. The number of members of the Vestry shall be Twelve (12), Including the Wardens, all of whom shall be elected by the members of the Parish. The Rector shall ex officio, be a voting member of the Vestry.

Section 5.3. The elected Vestry members shall be divided into three equal groups, each group to hold office until the Annual Parish Meeting three years following the election of such group.

Section 5.4. The term of each member of the Vestry shall begin at the first meeting of the Vestry following the Annual Parish Meeting at which the member is elected and shall continue until a successor is elected at the Annual Parish Meeting in the year in which the term of such number expires.

Section 5.5. Subject to the canonical rights of the Bishop of this Diocese and the Rector and to actions to be authorized or approved by the members, the temporal activities and affairs of this corporation shall be conducted and all corporate power shall be exercised by, or under the direction of, the Vestry.

Section. 5.6. The Rector, with the concurrence of the Vestry, may appoint such committees and commissions as are deemed necessary or appropriate to facilitate the management and control of the Parish. Such commissions and committees shall have such powers and duties as the Rector, together with the Vestry, may determine; provided, however, that no such committee or commission shall exercise the authority of the Vestry.

Section 5.7. The regular meetings of the Vestry shall be held on such dates and times and at such places as shall be determined by the Vestry by resolution at the first meeting of the Vestry following the Annual Parish Meeting.

Section 5.8. Special meetings of the Vestry may be called at any time by the Rector, either Warden or any three (3) members of the Vestry. Special meetings shall be held upon four (4) days notice by first class mail or forty-eight (48) hours with notice delivered personally or by telephone, fax, or email to each number shown in the Parish records.

Section 5.9. The presence of a majority of the qualified and acting members of the Vestry shall be necessary to constitute a quorum of the Vestry for the transaction of business. Every decision made by a majority present at a meeting lawfully called and held at which a quorum is present shall be regarded as an act of the Vestry; provided, however, that no action may validly be taken at a meeting of the Vestry unless the Rector or one of the Wardens is present.

Section 5.10. Members of the Vestry may participate in a meeting through use of conference telephone or similar communications equipment so long as the members so participating in the meeting can hear one another.

Section 5.11. Any action required or permitted to be taken by the Vestry may be taken without a meeting if all members of the Vestry shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Vestry. Such action by written consent shall have the same force and effect as a unanimous vote of the members of the Vestry.

Section 5.12. A vacancy in the Vestry shall be created by the death, resignation, removal or inability to act of any member of the Vestry. One or more vacancies shall also be created if the members of the Parish fail to elect the authorized number of members of the Vestry or if the authorized

number of members of the Vestry is increased. A vacancy may be filled by a majority vote of the remaining Vestry members, though less than a quorum, or by a sole remaining Vestry member. Each Vestry member so elected shall hold office until a successor has been elected at the next Annual Parish Meeting.

Section 5.13. Absence from three (3) consecutive regularly scheduled Vestry meetings, or failure to remain current on a stated pledge, shall be cause for removal from the Vestry at the discretion of a majority of the Vestry. Three weeks notice and an opportunity to be heard will be given to a Vestry member whose status is in question.

Section 5.14. Notice of a meeting need not be given to any member of the Vestry who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting the lack of notice prior thereto or at its commencement. All such waivers, consents and approvals shall be filed with the minutes of the proceedings of the Vestry.

Section 5.15. A majority of the members of the Vestry present, whether or not a quorum is present, may adjourn any Vestry meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent members of the Vestry if the time and place is fixed at the meeting adjourned.

ARTICLE VI

Officers

Section 6.1. The Corporate officers of the Parish shall be a President, who shall be the canonically elected Rector of the Parish; a First Vice-President, who shall be the Senior Warden (sometimes known as “Rector’s Warden”); a Second Vice-President, who shall be the Junior Warden (sometimes known as “Parish” or “People’s” Warden); a Secretary (sometimes known as “Clerk”) and a Treasurer who shall be chief financial officer of this corporation. The Vestry may elect such other officers as the business of the Parish may require, each of whom shall have such authority and perform such duties as the Vestry may from time to time determine.

Section 6.2. All of the officers of the Parish other than the Rector and the Senior Warden shall be elected by the Vestry. The Rector shall appoint the Senior Warden. The Senior Warden and the Junior Warden shall be selected from good standing of The Episcopal Church. The Clerk and the Treasurer need not be members of the Vestry.

Section 6.3. The Junior Warden, the Clerk and the Treasurer shall be elected annually at the organizational meeting of the Vestry immediately following the Annual Parish Meeting and shall serve until their successors are elected. Other officers of the Parish may be elected at such times and hold office for such period as the Vestry may determine.

Section 6.4. Whenever the office of Rector shall become vacant by resignation or otherwise, the Vestry shall proceed to fill such vacancy in the manner prescribed in the

Diocesan Canons. A vacancy in any office referred to Section 6.1 other than that of Rector or Senior Warden shall be filled by election or appointment by the Vestry then in office.

Section 6.5. Any officer, except the Rector, Assistant Ministers, if any, and the Senior Warden, may be removed from office, except from the Vestry, by a majority of the members of the Vestry. The Senior Warden may be removed from that office, but not from the Vestry, by the Rector. Any officer may resign at any time by giving written notice to the Vestry, to the Rector or the Clerk, except that, in accordance with the national Canons, a Rector may not resign without the consent of the Vestry. Any such resignation shall take effect at the date of the receipt of such notice or at a later date specified therein, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.6. The Rector, subject to the Constitution and Canons of the Church and Diocese and to the authority of the Bishop of the Diocese, shall have exclusive charge of all things pertaining to or affecting the spiritual interests of the Parish. It shall be the Rector's duty and right to direct all matters relating to public worship in and the liturgy of the Parish. The Rector shall at all times have access to the Parish buildings and the keys of the same. He shall have the spiritual direction and control of all associations of the Parish and shall have the right to vote at all Parish and Vestry meetings and may preside thereat. The Rector shall be the President and Chief Executive Officer of the Parish and, subject to such control as the Vestry may have under the laws of the State of California, shall have direction and control of the business and the officers and employees of the Parish. The Vestry shall not infringe upon the ecclesiastical or other peculiar rights, privileges or prerogatives of the Rector. The Rector shall be, ex officio, a member of all of the committees and commissions of the Parish and, subject to the power of the Vestry to create and fund positions, shall have the power to employ and discharge all employees other than officers.

Section 6.7. The Senior Warden shall be the First Vice President and the Junior Warden shall be the Second Vice President of the Parish. In the absence or disability of the Rector, the Wardens in the order of their rank shall perform the secular duties of the Rector and when so acting shall have all the secular powers and be subject to all the restrictions upon the Rector. The Wardens shall have such other powers and perform such other duties as, from time to time, may be prescribed for them by the Vestry or these Bylaws.

Section 6.8. The Clerk shall keep at the office of the Parish a book of minutes containing a complete and accurate record of all proceedings of the Vestry. The Clerk shall prepare and send required notices of meetings and have such other powers and perform such other duties as may be prescribed by the Vestry or these Bylaws.

Section 6.9. The Treasurer shall be the chief financial officer of the corporation and shall maintain or cause to be maintained adequate and correct accounts of the properties and business transactions of the Parish, including pledges and other assets, trust and

endowment funds, liabilities, receipts, disbursements and accounts in general. The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Parish with such depository as may be designated by the Vestry. The Treasurer shall disburse or cause to be disbursed the funds of the Parish as may be ordered by the Vestry; shall render to the Rector and the Vestry whenever they request it an account of all transactions as Treasurer and of the financial condition of the Parish and shall have such other powers and perform such other duties as may be prescribed by the Vestry or these Bylaws. The Treasurer shall be bonded in an amount and by a surety approved by the Vestry.

ARTICLE VII

Other Provisions

Section 7.1. The Parish shall maintain adequate and correct accounts, books and records of its membership, business and properties, including appropriate records of all subgroups of the Parish authorized by the Vestry to solicit, receive or disburse funds. All Parish accounts shall be audited annually by a certified independent public accountant or by such accounting agency or audit committee as shall be approved by the Diocesan Department of Finance. All of such records and accounts shall be kept at the place designated as the principal office and proper provisions shall be made for the safekeeping thereof from fire, the elements, destruction or access by unauthorized persons and other dangers. All books and records of the Parish shall be open to inspection of members of the Parish or the Vestry, as the case may be.

Section 7.2. The original or a correct copy of these Bylaws, as amended to date, certified to by the Clerk, shall be open to inspection by the members of the Parish at all reasonable times.

Section 7.3. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Parish and any other person, when signed by the Rector or any Warden and the Clerk or the Treasurer shall be valid and binding on the Parish in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Unless specifically authorized by the Vestry, no officer, agent or employee shall have any power or authority to bind the Parish by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 7.4. When required by National or Diocesan Canon, the consent of the Bishop and the Standing Committee of the Diocese shall be obtained in writing before any indebtedness, or any sale or conveyance of property of the Parish, or any encumbrance of property of the Parish, shall be incurred, made or entered into or be valid or binding against this Parish.

Section 7.5. Permanent funds, endowments and trust funds and securities of the Parish shall be

deposited with a national or state bank, savings and loan association, mutual fund, or professional investment advisor and shall be held under agreements providing for at least two signatures for withdrawal of such funds or securities. This section shall not apply to funds and securities refused by depositories as too small for acceptance; such small funds shall be under the care of the persons or corporations responsible for them. Records shall be kept of all permanent and trust funds showing source and date and terms governing the use of principal and income. The fiduciary responsible shall report the condition of such funds at each Annual Parish meeting.

ARTICLE VIII

Indemnification

Section 8.1. The Vestry may, in its discretion, and to the extent allowed by law:

(a) Authorize the Parish to indemnify its present and former Vestry members, officers, employees and other agents against damages and liabilities, including court costs, attorney fees, expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding if such person acted in good faith and in a manner such person believed to be in the best interest of the Parish, and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful.

(b) Authorize the purchase of insurance on behalf of such persons for the foregoing purposes.

ARTICLE IX

Amendments

Section 9.1. These Bylaws may be amended, repealed or modified by the Vestry by a majority vote.

CERTIFICATE OF CLERK

I hereby certify that I am the duly elected and acting Clerk of the Vestry of The Episcopal Church of Saint Mary the Virgin in San Francisco and the Secretary of said corporation and that the foregoing Bylaws constitute the bylaws of said corporation as amended at a meeting of the Vestry thereof held on October 23, 2016.

Attest:

_____(Print name)

_____(Signature)

Clerk of the Vestry

**Amendment to the By-laws of
The Episcopal Church of St. Mary the Virgin
In San Francisco**

June 2013

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to us--time, talents; the created world and money, including accumulated, inherited and appreciated assets, and

WHEREAS, in addition to cash, Christians can give to the work of the Church through a variety of gift vehicles including securities, bequests in wills, charitable remainder trusts and other life income gifts, other trusts, life insurance policies, real estate and other tangible assets, and

WHEREAS, it is the desire of this Parish to encourage, receive and administer these gifts in a manner faithful to the loyalty and devotion to God expressed by the donors and in accordance with the canons of the Episcopal Church and the Diocese of California and the policies of this Parish:

THEREFORE, BE IT RESOLVED, that the Episcopal Church of St. Mary the Virgin in San Francisco (hereinafter the "Parish"), through action of the Vestry, hereby amends its By-laws to delete Section 7.5 concerning the handling of permanent, endowment and trust funds and securities and to add a new Article 10 on the terms and conditions set forth herein:

ARTICLE X

THE ENDOWMENT FUND

Section 10.1. There is hereby created a new and separate fund to be known as THE LEGACY AND ENDOWMENT FUND (hereinafter the "Fund") OF THE EPISCOPAL CHURCH OF ST. MARY THE VIRGIN IN SAN FRANCISCO, the purpose of which is to enable the Parish to more completely fulfill its mission by supporting the implementation of long-range planning and by creating a reserve fund to facilitate the timely repair and: replacement of capitalized assets of the Parish.

The Fund shall be supervised by the Legacy and Endowment Board (hereinafter the "Board") in accordance with the provisions of this Article X.

The Fund shall consist of five (5) components:

1. Current Unrestricted Account: bequests that are intended by the donor to be used for purposes identified by the Board and the Vestry at a time or times of their choosing;
2. Current Restricted Accounts: bequests that are intended by the donor to support a ministry

designated by the donor but without specific direction as to when the funds may be spent,

3. Permanent Unrestricted Accounts: bequests that are intended by the donor to help sustain the future ministry of St. Mary's in perpetuity;
4. Permanent Restricted Accounts: bequests. that are intended by the donor to support a designated ministry of St. Mary's in perpetuity;
5. Capital Reserve Account: For the repair and replacement of depreciating and amortizing capitalized assets of the Parish; this account will be funded by all memorial gifts and additional gifts designated by the Legacy and Endowment Board and the Vestry.

These component parts shall be managed and invested as one asset pool with the account segregation and separate accounting handled internally by the Finance Manager and supervised by the Board.

Section 10.2. Gifts to the Parish shall be allocated as follows:

- a. All gifts from pledging members of the Parish shall be directed to the Vestry to allocate to (1) the Operating Budget, (2) the Capital Reserve Account, (3) the Permanent Unrestricted Account, or (4) to satisfy other needs of the Parish unless otherwise directed by the donor. Until deployed, these gifts will be added to the Fund, though separately accounted for, to be managed by the Board as an accommodation to the Vestry.
- b. All memorial funds (those gifts made to honor the deceased) shall be directed to the Fund to be allocated to the Capital Reserve Account.
- c. All Current Unrestricted bequests will be allocated as follows: Fifty Percent (50%) shall be directed to the Vestry to deploy in its discretion and Fifty Percent (50%) shall be directed to the Fund; the Board in its reasonable discretion will allocate its share of these bequests between the Permanent Unrestricted Account and the Capital Reserve Account until the reserves are fully funded.
- d. No more than Thirty Percent (30%) of the Operating Budget of the Parish in any one year may be funded by the sum of the Vestry's share of Current Unrestricted bequests and other distributions from the Board. Until deployed, that portion of the Current Unrestricted bequests directed to the Vestry shall be added to the Fund, though separately accounted for, to be managed by the Board as an accommodation to the Vestry.
- e. All Current Restricted bequests shall be directed to the Fund to be accounted for and deployed in accordance with the donor's restrictions. Unless the donor specifies that the bequest should be Permanent, the Board in its discretion, after consulting with the Vestry and lay leadership in consideration of long-term support of the Parish's ministry, may allocate a portion of any Current Restricted bequest to a Permanent Restricted Account with identical ministry purpose, with the balance available to the Vestry for the uses specified by the donor.
- f. Until deployed, Current Restricted funds will be added to the Fund, though separately

accounted for, to be managed by the Board as an accommodation to the Vestry.

- g. All Permanent Restricted bequests shall be directed to the Fund to be accounted for and deployed in accordance with the donor's restrictions.
- h. All Permanent Unrestricted bequests shall be directed to the Fund and may, at the discretion of the Board, be deployed, all or in part, to the Capital Reserve Account with the balance to the Permanent Unrestricted Account.

For purposes of this section, a bequest is designated "Permanent" by the donors use of language to create an "endowment" or a "permanent" gift to the Parish and funds committed through the efforts of the Planned Giving Commission of the Parish Council. A bequest is considered "current" if there is no designation by the donor for it to be an endowment or permanent gift. Furthermore, nothing set forth herein is designed in any way to limit the Vestry's discretion to use funds currently allocated to them, to accumulate those funds for a specified project or to redirect those funds back to the Board.

Section 10.3. The Board shall consist of three (3) members in good standing, appointed by the Vestry to serve solely in its discretion, together with the Finance Chair of the Vestry, who shall serve as chairperson. Additionally, the Rector and Treasurer shall be ex officio members of the Board without voting privileges; provided, however in the case of a tie vote, the Rector's vote shall break the tie. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of these amendments, one member shall be appointed for a term of three (3) years, one member for a term of two (2) years and one member for a term of one (1) year. Thereafter, on an annual basis, the Vestry shall appoint the necessary number for a term of three years. No member shall serve more than two consecutive three (3)-year terms. After a lapse of one (1) year, former Board members may be reappointed. For appointments to the two (2) and one (1) year terms, and in the event of a vacancy on the Board, the Vestry shall appoint a member to complete the unfulfilled term, upon the completion of which that person would be eligible for reappointment to a normal three (3)-year term. A board member serving more than twelve (12) months of a term shall be considered to be fulfilling a complete term for purposes of reappointment.

Section 10.4. The Endowment Board shall meet at least quarterly, or more frequently as deemed by it in the best interest of the Fund. A quorum shall consist of three (3) members. The affirmative vote of a majority in attendance shall be necessary to carry any motion or resolution. The Board shall elect a secretary. The chairperson, or member designated by the chairperson, shall preside at all Board meetings. The secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member of the Board. The secretary shall also supply a copy of the minutes to the Vestry in a timely manner. The Treasurer of the Parish shall maintain complete and accurate books of accounts for the Fund. At the discretion of the Vestry, the books may be audited annually by a certified public accountant or other qualified person; such person shall not be a member of the Board. All records of the Board are open to all Parishioners in good standing during normal business hours upon written request to the chairperson or by direction of the Rector. The Board, at the expense of the Fund, may provide for such professional counseling on investments or legal matters as it deems to be in

the best interests of the Fund, but expenses unique to a specific gift shall be borne by that gift.

Section 10.5. The Board shall be charged with the following additional duties:

- a. Select and supervise the manager(s) of the investment portfolio.
- b. Deploy funds in accordance with Section 10.2.
- c. Supervise the evaluation, acceptance and liquidation of illiquid gifts.
- d. Work with the Planned Giving Commission of the Parish Council to encourage full participation by the congregation.
- e. Generate procedures for responding to requests for information.
- f. Generate prompt gift acknowledgements.
- g. Advise and report to the Vestry on the funding goal for the Capital Reserve Account and the progress toward meeting that goal.
- h. Report on a quarterly basis to the Vestry and, at each annual meeting of the congregation, render an account of the administration of the Fund including its financial condition, funding levels in the various categories of accounts, significant new gifts received, disbursements made and ministries supported, and any other issues relating to the management of the Fund which are deemed important and relevant by Board.
- i. Record and track restrictions, if any, on the use and life of each gift whether such restriction is imposed by the Vestry, the Board or the donor.

Section 10.6. Members of the Endowment Board shall be liable for any acts or omissions committed by them (including losses that may be incurred upon the investments of the assets of the Fund) only to the extent that such acts or omissions were not in good faith or involved intentional misconduct. Each member shall be liable only for his/her own intentional misconduct or for his/her own acts or omissions not in good faith, and shall not be liable for the acts or omissions of any other members. No member shall engage in any self-dealing or transactions with the Fund in which the member has direct or indirect financial interest. Members shall at all times refrain from any conduct in which his personal interests would conflict with the interest of the Fund.

Section 10.7. All assets of the Fund shall be held in the name of THE LEGACY AND ENDOWMENT FUND OF THE EPISCOPAL CHURCH OF ST. MARY THE VIRGIN IN SAN FRANCISCO. The chairperson of the Board or, should she or he be unavailable, another member of the Board, shall be specifically authorized to take action as directed by the Board, in their prudent judgment and discretion acting as fiduciaries on behalf of the Fund, including actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Fund, including stocks, bonds, ventures,

mortgages, notes, warrants or other securities.

Section 10.8. The acceptance of gifts and bequests to the Fund shall be governed by a Gift Acceptance Policy crafted by the Board and approved by the Vestry. This policy incorporates a provision that, if a gift of property other than cash or publicly traded securities is offered to the Parish, a careful review will be conducted by the Board to advise the Vestry whether the best interests of the Parish are served by accepting or rejecting the gift.

Guidelines for conducting such a review are incorporated in the Gift Acceptance Policy. The Gift Acceptance Policy may be modified from time to time by majority vote of the Board and subsequent approval of the Vestry.

Section 10.9. It is the intention of the Vestry that the Board act as a fiduciary of the Fund. The Permanent Restricted Accounts and the Permanent Unrestricted Account will be managed as true endowments, employing the restriction that principal not be invaded.

The Fund shall be managed on a total-return basis to provide for a reasonable and consistent level of expendable funds as well as to provide for long-term growth. The Board will formulate Investment Guidelines which will be submitted to the Vestry for approval.

Distributions from the Permanent Restricted Accounts and the Permanent Unrestricted Accounts shall also be made utilizing a total return basis and will not be wholly dependent upon income generated through interest or dividends. Funds available for distribution during the next fiscal year will be limited to Five Percent (5%) of the market values of the corpus of these accounts. Funds available for distribution shall be calculated as of September 30th of the current fiscal year based on the average of the ending market values of the corpus of these accounts for twelve prior quarters, net of fees and expenses. Distributions shall be further limited to avoid reducing the market values of the corpus of these accounts below their adjusted cost basis.

Distributions from Permanent Restricted Accounts will be redirected to Current Restricted Accounts with identical use restrictions. The principal of the Permanent Unrestricted Account may be invested in tangible assets.

The Board shall formulate a policy which shall define the rules and protocols governing allocations to, distributions from, and reallocations among the various accounts of the Fund. Such policy shall be consistent with the stated purposes of the Fund and will be submitted to the Vestry by the Board for approval. At no time may any portion of the Fund be borrowed, including any temporary usage for other Parish needs.

Section 10.10. Funds transferred to the Permanent Restricted and Permanent Unrestricted Accounts are intended to be held in perpetuity and the restrictions placed on Current Restricted and Permanent Restricted gifts and bequests will be honored. This provision specifically acknowledges, however, that from time to time urgent needs of the Parish may arise to necessitate an exception to this policy and all gifts accepted by the Parish are accepted subject to the terms of this section. In such instances the following procedures will apply:

- a. The Rector will assess the particular circumstances giving rise to the perceived need to

make an exception to the policy. Such circumstances should be judged by the Rector to be truly extraordinary and that no other reasonable financial resources of the Parish, including the ability to draw funds through the Diocesan line of credit, are available or are expected to be available in time to fulfill the urgent need. If the Rector concludes that an exception is appropriate, the Rector will bring a recommendation to the Vestry at the earliest practicable time.

- b. If approved by the Vestry, the final authority for granting any exception to this policy will be made on the vote of a majority of the members in good standing of the Parish at a regular or special meeting called for that purpose.

Section 10.11. Notwithstanding the provisions of Article IX "Amendments," the provisions of this Article X shall be adopted by a vote of at least two-thirds (2/3) of the membership of the Vestry. Future amendments to this article may be adopted by simple majority vote.

Section 10.12. In the event the Parish ceases to exist, whether through merger, dissolution or some other event, disposition or transfer of the Fund shall be at the discretion of the Vestry in conformity with the Amended and Restated Articles of Incorporation for the Parish and in accordance with the diocesan canons and the Bishop of the Diocese of California.

The foregoing Amendments to the Amended and Restated Articles of Incorporation are hereby ADOPTED by the Vestry this 25 day of June 2013.

_____(print name)

_____ (signature)

Senior Warden

Attest:

_____(print name)

_____ (signature)

Clerk of the Vestry

Amendment to Article VI, Officers, of the By-Laws of the Episcopal Church of St. Mary the Virgin in San Francisco

The Episcopal Church of St- Mary the Virgin (herein after the "Parish") through action of the Vestry, hereby amends its by-laws to change ARTICLE OFFICERS Section 6.4 to read as follows:

Section 6.4 Whenever the office of Rector shall become by resignation or otherwise, vacant, the Vestry shall proceed to fill such vacancy in the prescribed in the Diocesan Canons and the Vestry term of the Senior Warden shall, if the Senior Warden elects and provided a majority or the Vestry approves, be extended until the first Annual Parish Meeting following the election of a new Rector. A vacancy in any office referred to in Section 6.1 other than that of Rector or Senior Warden shall be filled by election or appointment the Vestry then in office.

No other amendments were made.

The foregoing Amendment to the By Laws of The Episcopal Church or Saint Mary the Virgin was ADOPTED by the Vestry at its regularly scheduled meeting.

Signed this 25th day of June, 2013.

BETTY HOOD-GIBSON (print name)

Betty Hood-Gibson (signature)
Senior-Warden

Attest:

Nancy Clothier (print name)

Nancy Clothier (signature)
Clerk of the Vestry

Amendment to Article VI, Officers of the By-Laws of the Episcopal Church of St. Mary the Virgin in San Francisco

The Episcopal Church of St. Mary the Virgin (herein after the "Parish") through action of the Vestry, hereby amends its by-laws to change ARTICLE VI, OFFICERS, Section 6.4 to read as follows:

Section 6.4 Whenever the office of Rector shall become vacant by resignation or otherwise, the Vestry shall proceed to fill such vacancy in the manner prescribed in the Diocesan Canons, and the Vestry term of the Senior Warden shall, if the Senior Warden elects and provided a majority of the Vestry approves, be extended until the first Annual Parish Meeting following the election of a new Rector. A vacancy in any office referred to in Section 6.1 other than that of Rector or Senior Warden shall be filled by election or appointment by the Vestry then in office.

No other amendments were made.

The foregoing Amendment to the By Laws of The Episcopal Church of Saint Mary the Virgin was ADOPTED by the Vestry at its regularly scheduled meeting,

Signed this day of October, 2013,

Patty Hood, Sr. (Signature)
Senior Warden

Senior Warden

Attest:

Nancy Clothier (print name)

Nancy Clothier (signature)

Clerk of the Vestry