

Charter of the California Garden Clubs, Inc. Endowment Fund

Section I. Name and Administration

The Board of Directors of California Garden Clubs, Inc. (CGCI) has established the CGCI Endowment Fund, which shall be known as the CGCI Endowment Fund. The Board of Directors of CGCI retains the ultimate right to maintain and administer said fund.

Section II. Purpose

The purposes of the Endowment Fund are:

- To further augment the objectives and purposes of CGCI by providing a suitable fund for receipt of donations, where the intent of the donor is to make a lasting contribution to CGCI to secure a sound financial base,
- To provide a fund, the income from which may be allocated to the CGCI annual general fund budget in the fiscal year following the fiscal year in which it is earned, to meet expenses of CGCI as defined by the Board of Directors, and
- To provide financial resources for CGCI in the event of a financial crisis (determined as provided below in IV 4).

Section III. Endowment Committee

The Board of Directors shall establish the Board of Trustees as the Endowment Fund Committee (the "Endowment Committee") with responsibility and authority to administer and manage the assets of the Endowment Fund under the general guidelines established by the Board of Directors. This program and these monies shall, however, remain the responsibility of the Board of Directors, which responsibility may be delegated to the Board of Trustees to the extent the Board of Directors determines.

Appointment and Term of Office. The Endowment Committee members shall be appointed for and serve terms synchronous with the provisions for the Board of Trustees existing in the CGCI Bylaws.

Section IV. Finances

The fiscal year of the Endowment Fund shall be the same as that of CGCI, July 1 to June 30.

On behalf of the Endowment Fund, CGCI may receive donations from members, nonmembers, organizations, and the General Fund. The Endowment Committee or the CGCI Board of Directors may reject any donation to the CGCI Endowment Fund if the conditions of the gift are not in the best interest of CGCI.

The Endowment Committee shall meet as needed to consider requests for using the income of the fund to meet expenses, as provided in Section 4. The Endowment Committee shall make its recommendations to the Executive Committee of CGCI. The Executive Committee shall decide whether to implement the recommendations, subject to ratification by the CGCI Board of Directors as deemed necessary. In the event that the Executive Committee declines to recommend an Endowment Committee recommendation, the Endowment Committee, if in 100% agreement, may take a recommendation directly to the Board of Directors for consideration.

The principal (the then current total value, as of the beginning of the fiscal year) of the Endowment Fund shall remain inviolate except under the following conditions:

The Endowment Committee determines by unanimous vote that CGCI is operating in a financial crisis. Such a vote may be cast in absentia by phone, e-mail, or fax. Votes by phone must be verified by two members of the Board of Trustees.

The amount distributed shall not exceed 10% of the then current total value of the Endowment Fund.

Such an emergency distribution cannot be made more frequently than annually.

Investments shall be of the conservative type. Principal Financial Group of San Diego shall manage the investments until such time as the Trustees determine that a different management firm shall be used.

Section V. Procedures of the Board of Trustees

Voting. All matters requiring a decision of the Board of Trustees shall be decided by a majority vote.

Meetings. The Board shall meet at least 3 times each year at CGCI Board meetings. Their meetings shall

be announced to the Board of Directors. The Secretary shall be responsible for recording the minutes of all meetings. A copy of the minutes shall be maintained.

Quorum. Four Members shall constitute a quorum for the transaction of business.

Accepting Funds. All funds accepted by the Endowment Committee shall be presented to the CGCI Treasurer for deposit. The Treasurer shall be directed to keep separate accounts as needed for each endowment fund. The Treasurer shall advise the Secretary of the Endowment Committee of donations, but may commingle such funds for the purpose of investment and banking. The CGCI Treasurer shall transfer, as practicable, all donations and income to the Endowment Fund, at least once annually.

Reports. The Board of Trustees shall keep books of account showing all transactions relating to the Endowment Fund and shall make a written report to the Board of Directors to be presented at its annual meeting. They shall make any other reports as may be requested by the Board of Directors.

Maintenance of Records. Adequate records shall be maintained and kept by the Secretary of the Board of Trustees detailing the dates on which assets were received by the CGCI Treasurer, the nature of these assets, and the donors (unless anonymity has been requested by the donor), and any terms agreed to at the time of their acceptance.

Section VI. Dissolution.

In the event of the dissolution of CGCI, all Endowment Fund assets shall be distributed to like 501(c)(3) organization(s). The provisions regarding CGCI dissolution shall be considered in making this determination.

Section VII. Amendments.

This charter may be amended from time to time, at any annual or special meeting of the Board of Directors at which a quorum is present, by a majority vote.