



The Community Foundation
for Greater New Haven

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RESOLUTION AND DECLARATION OF TRUST

CREATING

"THE COMMUNITY FOUNDATION FOR GREATER NEW HAVEN"

(As Amended through April, 2000)

The Community Foundation for Greater New Haven
70 Audubon Street
New Haven, Connecticut 06510
(203) 777-2386

PREAMBLE

WHEREAS, the history of gifts creating trusts for charitable and educational uses and purposes has demonstrated that funds devoted to such uses and purposes can be made to accomplish greater good if the terms of such trusts shall permit of change in the particular objects to be benefited or in the channels through which such funds are to be applied; and

WHEREAS, the welfare of mankind urgently demands the encouragement and promotion of trusts for charitable and educational uses and purposes in accordance with a plan which shall (1) meet the changing needs for such trusts with flexibility; (2) afford an opportunity alike to persons of wealth and persons of modest means to make their several gifts or bequests to different Trustees of their own selection for such uses and purposes more effective by providing for distribution to the beneficiaries of such trusts an aggregate fund; (3) provide for the selection of such beneficiaries by an impartial and changing committee of persons chosen for their knowledge of the charitable and educational needs of the time, such committee to be known as the Distribution Committee or the Board of Directors; and (4) safeguard and provide for the continued security of such gifts; and

WHEREAS, it is recognized that public confidence in such a plan and in the security and impartial administration of gifts made under it will be enhanced and assured by the concerted action of the financial institutions in the City of New Haven, Connecticut, and vicinity, hereinafter named and such other financial institutions authorized by law to accept and execute such trusts, as under the provisions hereof shall join with the financial institutions then acting as Trustees hereunder;

NOW THEREFORE, in order to accomplish such purpose, and pursuant to the provisions of Section 45a-516 of the Connecticut General Statutes, as amended, and the authority therein granted, the Board of Directors [of the financial institution adopting this resolution], does hereby adopt the following:

RESOLUTION AND DECLARATION

I. TITLE OF TRUST

The trust hereby created shall be known as "The Community Foundation for Greater New Haven" (herein defined, together with the Foundation under its former name as The New Haven Foundation, as the "Foundation").

II. ACCEPTANCE OF GIFTS

(The financial institution adopting this resolution) will accept any gift, grant, devise, or bequest in trust for public, charitable, and educational purposes, under the powers and duties herein set forth, the maker of which gift, grant, devise, or bequest, when made to the Foundation as The Community Foundation for Greater New Haven or to the Foundation by its former name as The New Haven Foundation, whether under either such name or otherwise, shall thereby conclusively

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assent to and adopt (1) all the provisions herein specified, excepting that the maker may direct that the fund created by such maker shall be paid to beneficiaries designated by him for such period of time, within lawful limits, as he may designate, and/or (2) all the provisions herein specified, but express a desire of the maker (a) as to time when and the uses and purposes for which the principal contributed by such maker shall be distributed; and/or (b) as to the uses and proposes for which the income therefrom shall be used either for a definite or indefinite period of time, or any other specific modification consistent with the general principles of the Foundation.

As to expressed desires of donors. Any such expressed desire of the maker shall be respected and observed, subject, however, in every case to the condition that whenever it shall appear to the Distribution Committee that circumstances render unnecessary, undesirable, impracticable, impossible or incapable of fulfillment or inconsistent with the charitable needs of the City of New Haven, Connecticut, as now or hereafter constituted, and its vicinity, a strict compliance with the terms of the gift, grant, devise or bequest of such maker or any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, the Distribution Committee, by resolution adopted by the affirmative vote of nine of the members of the Distribution Committee in its sole judgment, without the necessity of the approval of any of the Trustees, may at any time or from time to time modify any such restriction or condition or direct the application of the principal and/or interest of such gift, grant, devise, or bequest to the general purpose of the Foundation, without regard to and free from any specific restriction, limitation, or direction imposed by the maker of such gift, grant, devise or bequest. However, the maker may direct that his gift, grant, devise or bequest shall be held as a separate fund, and may designate such fund as a memorial or otherwise; and in such case the said fund shall be maintained by the designated Trustee as a separate fund forming a part of the Foundation, under such name as may be properly designated therefor.

III. DEFINITIONS

The terms Distribution Committee or Board of Directors, when herein employed, shall be taken to mean the persons appointed as provided in Paragraph V.

Trustees are not co-trustees. All of the financial institutions authorized to accept and execute trusts for the purposes in Paragraph IV, and which have already adopted a resolution in the form of these presents, or may hereafter be authorized by adopting such a resolution and by meeting the qualifications described in Paragraph VII, are sometimes collectively herein referred to as Trustees or severally as Trustee or one of the Trustees. But neither their concerted action hereunder nor such collective reference nor anything herein contained shall be deemed to make them or any of them co-trustees, joint tenants or tenants in common of any estate or property given, granted, devised or bequeathed for the uses and purposes, upon the conditions and subject to the provisions herein expressed.

Each trust and estate in severalty. The estate in any property, real or personal, from time to time given, granted, devised, or bequeathed to any one of the Trustees for the uses and purposes, upon the conditions and subject to the provisions herein expressed, shall be deemed an estate in

severalty and shall be held and administered by the Trustee, to which such gift, grant, devise or bequest shall be made; but, except as hereinafter in Paragraph IV provided, the Trustees shall have no power to select or appoint the beneficiaries of any such property or to allot the amount to be paid to any one of them, such power of selection, appointment or allotment and the duty to exercise it being conferred upon the Board of Directors, except as otherwise stated herein.

**IV. APPROPRIATION OF FUNDS PURSUANT TO SPENDING
RULE EACH YEAR FOR CERTAIN PURPOSES**

Subject to the particular terms of any gift, grant, devise, or bequest, and only to the extent provided in Paragraph II;

(1) The Board of Directors shall be empowered either to direct or, in the case of a fund designated for specified beneficiaries, monitor the distribution of all the funds held hereunder exclusively for charitable purposes. Without limiting the foregoing, the Board of Directors shall in each calendar year appropriate the amount determined in accordance with the Spending Policy hereinafter described, certified by the Trustees in accordance with the provisions of subdivision (4) of this Paragraph IV as available for distribution for such public, charitable, or educational uses and purposes as will, in the absolute and uncontrolled discretion of the Board of Directors, most effectively assist, encourage and promote the well-being of mankind and primarily of the inhabitants of the City of New Haven, Connecticut, as now or hereafter constituted, and its vicinity, regardless of race, color, religion, sex, or creed, and without in any way enlarging or extending the generality of the foregoing, but rather in illustration and explanation thereof, for the following uses and purposes among others;

- (a) For assisting public, charitable, and/or educational institutions, whether supported wholly or in part by private donations, or by public taxation, and investigating the conduct, scope, and operation of the same;
- (b) For assisting the United Way of Greater New Haven;
- (c) For promoting scientific research for the advancement of human knowledge and the alleviation of human suffering or of the suffering of animals;
- (d) For the care of the sick, and/or aged, and/or helpless;
- (e) For the care of the needy men, and/or women, and/or children;
- (f) For aiding in the reformation of [1] victims of narcotics, and/or drugs, and/or intoxicating liquors, [2] released inmates of penal reformatory institutions, and [3] wayward and/or delinquent persons;
- (g) For the improvement of living and working conditions;

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- (h) For providing facilities for public recreation;
- (I) For the encouragement of social and domestic hygiene;
- (j) For the encouragement of sanitation and measures for the prevention of or the suppression of disease;
- (k) For investigating or promoting the investigation of, or research into the causes of ignorance, poverty, and vice, preventing the operation of such causes, and remedying or ameliorating the conditions resulting therefrom.

(2) Determination of Spending Rule. In order to preserve the real economic spending value of the Foundation's distributions for the above-described charitable purposes, to establish control over the spending by the Board of Directors of the resources available to it for such purposes, to create a predictable stream of funds available for distribution and to enhance the flexibility of the Trustees in managing the investment of the funds held by them pursuant to the provisions hereof, the Board of Directors, by a majority vote, shall, on or before the forty-fifth day prior to the end of the Foundation's fiscal year, prescribe a Spending Rate (the "Spending Rate") to determine the amount to be made available by the Trustees to the Board of Directors during the following year for expenditure hereunder in accordance with the following principles, provided, however, that the approval of the Trustees' Committee be first obtained. The procedure and the principles hereinafter described shall be defined as the "Spending Rule". Whenever, in this Article IV, the Trustees' Committee is empowered to act, its members shall first consult the officers of their respective banks responsible for managing Foundation assets.

(a) The Spending Rate equal the greater of 1: a fixed percentage of the Foundation's liquid assets available for investment, which shall not include non-earning assets such as, without limiting the foregoing, the Foundation's building and loans receivable, and not excluded from the operation hereof as described in subparagraph (b) below, based upon a five-year moving average of the value of such assets, computed as of the end of each calendar quarter or 2: Four and One Quarter Percent (4.25%) of the market valuation of such liquid assets as of the last day of the most recent calendar quarter (the result of such computations being hereinafter referred to as the "Spending Amount"); provided, however, in no event shall the Spending Amount exceed Five and Three Quarters Percent (5.75%) of the market valuation of such liquid assets as of the last day of such most recent calendar quarter (the "Cap"); provided, further, that, if the Internal Revenue Service or any other governmental authority having jurisdiction over the Foundation's expenditures determines that, in order for the Foundation to maintain its current tax and charitable status, the amount to be spent by the Board of Directors should exceed the amount decided by the Board of Directors, then the amount to be expended shall, as of the effective date of such determination, equal such greater amount, but only if the Foundation has unsuccessfully appealed such determination and, in the opinion of the Foundation, any further appeal is unwarranted.

(b) The foregoing notwithstanding, if, in the opinion of counsel for the Foundation or of counsel to any of the Trustees, any instrument by which any donor has transferred funds to or for the benefit of the Foundation indicates that (I) net appreciation not be expended within the

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meaning of Section 45a-529 of the Connecticut General Statutes, as amended, if there be any net appreciation within the meaning of Section 45-528 of the Connecticut General Statutes, as amended, or (ii) that corpus of the fund not be invaded in the event that there is no such net appreciation, then the Spending Rule shall not apply to such funds; and the Board of Directors shall only expend the net income thereof.

(c) The percentage determined by the foregoing procedure shall only be changed with respect to the succeeding year or years if, in their opinion, such percentage imposes an unreasonable limitation or restraint upon the Trustees in their investment activities, no longer comports with returns on investment that can be realized in the then current and foreseeable economic climate, or otherwise requires a revision, provided that the foregoing procedure shall be utilized with regard to the adoption of any such change in percentage. Notwithstanding any other provision hereof, the Board of Directors shall re-examine, reaffirm and/or change the Spending Rate not less frequently than every three years and shall re-examine the Spending Rate at any time upon the request of the Trustees' Committee.

(d) In fixing the percentage of the Foundation's assets to be expended as above provided, the goal of the Board of Directors and the Trustees' Committee shall be to preserve the long term spending power of the assets, taking in to consideration the long and short term needs of the Foundation in carrying out the above-described charitable purposes, the present and anticipated financial requirements of the Foundation, expected total return on the assets, price level trends and general economic conditions.

(e) Notwithstanding the foregoing, within the first three calendar years following the amendment of this Resolution and Declaration of Trust that adopts the Spending Rule above-described, in order to avoid a substantial adverse impact upon the amount of funds available for distribution, the Board of Directors may specify an amount to be spent during each of those years based upon other criteria determined by the Board of Directors to be appropriate, provided, however, that the approval of the Trustees' Committee be first obtained.

(3) Appropriation of corpus in excess of that permitted under the Spending Rule. In addition to such amount as may be expended pursuant to the Spending Rule above-described, the Board of Directors may, by the affirmative vote of ten of its members, appropriate for distribution for the uses and purposes aforesaid not exceeding four percent of the corpus of any one or more of the trust funds in any one calendar year, unless otherwise provided by the donor or donors, provided, however, that the approval of the Trustees' Committee and of the Trustee to which such trust funds shall have been committed be first obtained.

(4) Payment of amount determined under the Spending Rule by Trustees. Each of the Trustee corporations shall, within one month after the expiration of each six months of every calendar year, certify to the Board of Directors in writing signed by an executive officer of such Trustee the net amount of income and/or principal held by it at the expiration of such six months' period available for distribution as herein provided.

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Each of the Trustees shall pay and disburse such portions of the net income or of the distributable corpus of the property held by them as trustee under this Foundation respectively at such times and in such amounts as shall from time to time be directed by the Board of Directors in accordance with the Spending Rule herein described or, during the first three years following the adoption of the Spending Rule, in accordance with the criteria above-described, as the case may be. And in the distribution and application of funds available for distribution hereunder, payments may be made upon the direction of the Board (a) to individuals, (b) to corporations or associations maintaining institutions for any one or more of the aforesaid public, charitable, or educational purposes, (c) to corporations or associations formed to distribute and apply such funds to any one or more of such purposes, (d) to corporations or associations formed by the Board of Directors for any one or more of such purposes, or (e) to the Board of Directors in which event said Board of Directors shall by the affirmative vote of at least-six of its members appropriate the entire amount so received within a reasonable time after the receipt of the same to the uses and purposes as herein provided, and any funds so received by the Board of Directors shall only be paid out on a written order or direction signed by the President, Chairman, Vice-Chairman or other member duly authorized by the Board of Directors.

(5) Protection of Trustees. The Trustee shall be fully protected in acting upon any such order or direction of the Board of Directors and shall not be responsible for any act or omission of the Board of Directors.

(6) Procedure if Board of Directors fails to appropriate. If, in any fiscal year, the Board of Directors shall fail to appropriate or disburse or to order or direct the Trustees to pay and disburse either (I) the annual amount available under the Spending Rule or (ii), during the three years following the adoption of the Spending Rule, the amount specified by the Board of Directors, or (iii) the entire net income of said funds, less such reasonable reserves as the Board of Directors shall in its discretion approve, the two members of the Board of Directors appointed by the Trustees, within thirty days after the end of such year shall have the powers herein conferred upon the Board of Directors, and if they fail to exercise such powers within said period of thirty days, then and in that event, each of the Trustees shall have the power and duty of disposition of the undistributed portion of the lesser of (I) the allocable share of the amount available under the Spending Rule or (ii) the net income of the fund received by it except such reserves, including power to select and appoint the beneficiaries, subject to the limitations herein imposed and prescribed, and allot the amount payable to each, to the end that there shall be no unreasonable failure to carry out the public, charitable, or educational uses and purposes thereof.

V. **MEMBERS OF BOARD OF DIRECTORS**

The Board of Directors shall consist of eleven citizens of the United States and residents of the City of New Haven, Connecticut, or vicinity, selected for their knowledge of the charitable or educational needs of the community. It is a cardinal principle of the Foundation that it shall be conducted in the interests of the whole community without regard to race, color, religion, sex or creed, and that to the greatest possible extent all interests, classes and creeds shall be represented on the Board of Directors. No person holding a salaried public office shall be a member of said Board of Directors; and if any member of the Board of Directors shall be appointed or elected to any salaried public office, such member shall thereupon and without any action or proceedings

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whatsoever cease to be a member of the Board of Directors. No executive officer of a Trustee shall be a member of the Board of Directors.

The Board of Directors shall be selected, appointed and classified as follows:

Class 1. One member by the Chief Executive of the City of New Haven, Connecticut.

Class 2. One member by the President or other Chief Executive Officer of the New Haven Chamber of Commerce.

Class 3. One member by the Judge of the Probate Court for the District of New Haven, Connecticut.

Class 4. One member by the Trustees' Committee.

Class 5. One member by the President or other Chief Executive Officer of Yale University.

Class 6. One member by the President of the New Haven County Bar Association.

Class 7. One member by the Trustees' Committee.

Class 8. One member by the Board of Directors by majority vote of all the members serving at the time of such appointment.

Class 9. One member by the Board of Directors by majority vote of all the members serving at the time of such appointment.

Class 10. One member by the Board of Directors by majority vote of all the members serving at the time of such appointment.

Class 11. One member by the Board of Directors by majority vote of all the members serving at the time of such appointment.

All appointments of members of the Board of Directors shall be made at least thirty days before and not more than ninety days before the expiration of the term of office of the particular member of the Committee whose position such appointment is designed to fill.

Terms of office. All members of the Board of Directors shall hold office during the term of seven years from and after the first day of January succeeding their respective appointments, excepting those first appointed who shall hold office from the date of their appointment and shall serve as follows, viz.:

The Class 1 member shall serve until January 1, following the appointment of the Committee.

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The Class 2 member shall serve until the second January 1 following such appointment, and the first member to be appointed representing each other class to serve in like manner as is determined by the numeral of his class.

The Class 8 member first appointed shall serve for five years until the sixth January 1 following his or her appointment.

The Class 9 member first appointed shall serve for six years until the seventh January 1 following his or her appointment.

The Class 10 member first appointed shall serve for seven years until the seventh January 1 following his or her appointment.

The Class 11 member first appointed shall serve for seven years until the seventh January 1 following his or her appointment.

Filling of vacancies. Any vacancy by death, resignation, refusal to serve or otherwise shall be filled for the unexpired term by the authority making the original appointment.

Successors shall be appointed by the same authority as original members. A person who has served a full term of seven years shall not be eligible under any circumstances to be appointed to another term or a part of a term during his or her lifetime by any authority, nor may any person serve as a member of the Board of Directors for more than seven years during his or her lifetime, either through completion of one full term or by serving part of two or more terms. If any person has served part of one term, and is appointed to another term by any authority, such person's appointment shall terminate on the last day of December preceding the year in which such person would, but for this sentence, complete seven years of service as a member of the Board of Directors.

Removal from New Haven, Connecticut, or vicinity and/or failure to attend three consecutive meetings of the Board of Directors without a reason satisfactory to the Board of Directors shall, at the discretion of the Board, operate as an accepted resignation from the Board of Directors.

In the event that any of the persons herein authorized to appoint members of the Board of Directors shall fail to appoint a member of the Board of Directors, within sixty days after the scheduled commencement of such full term or the occurrence of the event creating such vacancy, as the case may be, then and in such event such power of appointment may be exercised by the action of the Trustees' Committee, evidenced by instrument in writing filed with the Chairman or Secretary of the Board of Directors.

In the event that any office, the holder of which is designated to nominate and appoint a member of the Board of Directors, shall cease to exist, then the Trustees' Committee shall designate the holder of another office which shall correspond as nearly as possible to the office which shall have so ceased to exist; with power to nominate and appoint a member of the Board of Directors of the same class. If any question arises as to the official herein authorized to make appointments, or

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as to the qualifications of the persons appointed, the decision of the Trustees' Committee shall be final and conclusive with respect thereto.

Organization. The Board of Directors first appointed shall organize as soon as may be convenient; and thereafter the annual Organization Meeting of the Board of Directors shall be held on the third Wednesday of January of each year at the call of its presiding officer, if there be one; otherwise, at the call of the senior member of the Board of Directors. At the regular meeting of the Board of Directors preceding the annual organization meeting, the Board of Directors shall elect a Chairman from among its members. The Board of Directors shall elect a Vice-Chairman at its annual meeting in January.

President and Chief Executive Officer. The Board of Directors shall/may appoint a President, whose title shall be President and Chief Executive Officer of The Community Foundation for Greater New Haven, and who shall, while he or she is President, also be the Secretary of the Board of Directors and the Trustees' Committee. The President shall hold office at the discretion of the Board of Directors for such term as the Board of Directors shall determine. The President shall receive such compensation and perform such duties as the Board of Directors shall determine and shall be the custodian of the records of the proceedings of both Committees.

Authentication of orders payment. Any written order or direction to a Trustee for the payment of money made pursuant to a resolution adopted at a meeting of the Board of Directors shall be deemed sufficiently made and executed if signed by the Chairman, Vice-Chairman or other member duly authorized by the Board of Directors and attested as that Committee shall direct; and the Trustees and each of them shall be protected in acting upon any such written order or direction believed by the one of them, to which the same shall be addressed, to have been signed by the proper person or persons.

Procedure. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors, but the affirmative vote or action of at least-six members of the Board of Directors shall be required for the making of any order or direction for the payment of money. The Board of Directors shall have power to adopt regulations and by-laws, not inconsistent with this resolution and declaration, providing for meetings, regular or special, the appointment of sub-committees for special purposes and for the government of its action and may, at pleasure, amend such regulations or by-laws. The Board of Directors shall, as a rule of action, as far as possible carry on its investigations through existing agencies or through specially appointed temporary committees or agents and shall avoid bureaucracy and complicated machinery and consequent expense.

Expenses. The reasonable expenses of the Board of Directors and the compensation of the President may be paid out of the income available for distribution or out of funds contributed for the purpose; but the members of the Board of Directors shall serve without compensation.

A copy of the proceedings of the Board of Directors for the preceding calendar year shall be filed with the Trustees' Committee before the annual meeting each year.

VI. **TITLE AND POWERS OF TRUSTEES**

The Trustees of each trust made as provided in Paragraph II shall be vested under the terms of this declaration as trustee of an express trust with the legal title to the property given, granted, devised, or bequeathed to it for the uses and purposes and upon the Conditions herein expressed, and to the intent of such uses and purposes shall be entitled to exercise in respect of the property so held by it all rights of absolute ownership. Without in any way limiting or restricting the generality of the foregoing but rather in enlargement and extension thereof, each Trustee shall have the following powers:

- (1) To invest and reinvest any and all moneys received in securities and/or property in which, from time to time, it may be lawful to invest trust funds under the laws of the State of Connecticut unless the donor shall otherwise provide;
- (2) To retain any and all property, real or personal, which may come into its control in the form and condition in which it may be, notwithstanding the same be not a lawful investment for trust funds under the laws of the State of Connecticut, or, if it shall deem it advisable, from time to time, sell, exchange, mortgage, lease, or otherwise dispose of any or all such property, and to execute and deliver any and all such instruments of conveyance or otherwise as may in its discretion be necessary or proper to effect any of said purposes;
- (3) No purchaser of any securities or property sold or otherwise disposed of by said Trustee, and no transfer agent or other transferor of security shall be bound to ascertain or inquire into the necessity or propriety of any such disposition, or shall be bound to see to the application of the purchase moneys paid thereon, and the receipts or receipt in writing of said Trustee for the purchase money of any property sold or for any moneys, stocks, funds, shares, or securities which may be paid or transferred to them shall effectually discharge the purchaser or purchasers or other person or persons paying or transferring the same therefrom or from being answerable for the application or misapplication thereof;
- (4) To consent to the extension, refunding or renewal of any such securities and to the extension or renewal of any mortgage or lien securing the same;
- (5) To make, execute, and deliver all proper receipts, bills of sale, conveyances, assignments, transfers, proxies, powers of attorney and agreements as it shall deem best in the management and control of the securities and property constituting said fund;
- (6) To apportion any losses to principal or income as it shall deem best, with full power to decide all questions as to what is income and what is principal and to decide whether securities or investments are wasting securities or investments;

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- (7) To make or join in any plan or plans of reorganization or of readjustment in respect of any corporations of which any of the shares of stock, bonds, or other securities or obligations at any time constitute part of the principal of the fund, and to accept and hold any property or new securities surrendered in accordance with any such plan in the place of the securities so surrendered;
- (8) To refrain, in its discretion, from setting aside any part of the income received by it from securities taken or purchased as part of said fund at a premium as a sinking fund to amortize such premium;
- (9) To vote upon all stocks held by it, to unite with other owners of the securities of any corporation in carrying out any plan for the reorganization thereof, to exchange the securities of any corporation for others issued by the same or by any other corporation upon such terms as said Trustee shall deem proper; to assent to the consolidation or merger of any corporation whose securities are held by it with any other corporation, to the lease by such corporation of its property or any portion thereof to any other corporation, or to the lease by any other corporation upon such consolidation, merger, lease, or similar arrangement to exchange the securities held by the Trustee for other securities issued in substitution therefor; to pay all such assessments, expenses, and sums of money as it may deem expedient for the protection of the interest of the fund as holder of the stocks, bonds, or other securities of any corporation. The term "corporation" as used in this paragraph shall include any other business organization.

Limitations and restrictions on powers. The powers conferred upon each Trustee shall nevertheless be subject to the following limitations and restrictions:

All securities and property at any time held by the Trustee for the Foundation shall be devoted exclusively to the public, charitable, and educational uses and purposes herein mentioned.

Agents', etc., compensation and expenses. The Trustee of each trust made as provided in Paragraph II may perform any power or duty hereunder whether discretionary or not, by or through, and may select and employ in and about the execution thereof, attorneys, agents, or servants, and may retain reasonable and proper compensation for the services and expenses of such attorneys, agents or servants. The Trustee may also retain reasonable and proper compensation for its services and expenses as Trustee, subject to the approval of the Probate court. No Trustee shall be answerable for the acts, neglects, or defaults of any of the other Trustees.

Each Trustee reserves the right to decline any gift, bequest or devise, or any part thereof, given to the Foundation which in its opinion will not be properly available for this trust or properly serve the purposes thereof.

Each Trustee is subject to the power of the Board of Directors, by vote of ~~seven~~ nine of its members, to replace any Trustee for breach of fiduciary duty under the law of the State of Connecticut, and for failure to produce the Board of Directors' determination from time to time of a reasonable return of net income (as defined in the applicable Treasury Regulations issued from time to time by the Internal Revenue Service) over a period of time considered reasonable by the Board of Directors; the exercise of such powers of replacement, however, to be reviewable for approval or disapproval, upon notice to the Attorney General of the State of Connecticut, by the Probate Court for the District of New Haven or any other court having jurisdiction over the acts of the particular Trustee as provided either by law, the terms of any applicable gift, grant, devise or bequest or by this Resolution and Declaration of Trust, such approval or disapproval to be subject to appeal as provided by law.

The powers conferred upon each Trustee and the provision of this Resolution and Declaration of Trust shall be construed so that the Foundation shall, at all times, be and remain a community foundation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations issued thereunder.

VII. TRUSTEES' COMMITTEE

To insure unity of purpose and concert of action among the Trustees, to complete the organization and provide for the continuance of the Foundation and for other purposes in this paragraph mentioned, there shall be established a committee known as the Trustees' Committee. The persons who shall be Presidents for the time being of each of the Trustees serving as of January 1, 1992, and such other Trustees as shall be qualified and elected as hereinafter provided or their formally designated agents or servants shall comprise the membership of the committee, provided that each person so designated shall have knowledge of the public, charitable and educational needs of the Greater New Haven, Connecticut area by virtue of his or her residence, employment or demonstrated community involvement therein. The Trustees' Committee shall have such powers as any be necessary to effectuate the foregoing objects including power (1) to select the members of the Board of Directors herein provided to be appointed by the Trustees' Committee; (2) from time to time to approve in writing by majority of the members of the Trustees' Committee and permit other financial institutions that are [i] authorized by law to accept and execute trusts for the uses and proposes specified in Paragraph IV and [ii] meet the qualifications hereinafter described to join the Foundation; (3) from time to time to approve in writing by majority of the Trustees' Committee and permit other Trustees that meet the qualifications hereinafter set forth to have a representative on the Trustees' Committee; and (4) from time to time to take such action and perform such duties as are herein provided to be taken or performed by the Trustees' Committee. The Trustees' Committee shall have no power to interfere with the management or disposition of any property vested in or held by the Trustees.

In order to be eligible to become a Trustee, a financial institution must have been in existence for at least five years, maintain at least three branches in New Haven County, Connecticut legally entitled to receive deposits, and be, in the judgment of a majority of the Trustees' Committee with the advice

and consent of the Board of Directors, capable of fulfilling the duties and responsibilities of a trustee hereunder.

In order to be eligible to have a representative on the Trustees' Committee, a Trustee must hold at least \$500,000 of assets, valued as of the end of the preceding calendar year, in trust subject to the provisions hereof, have been a Trustee for at least five years, and administer total trust assets of a market value of at least \$100,000,000 of which no less than \$40,000,000 shall be assets over which it has investment responsibility either alone, in conjunction with, or subject to the approval of another person or persons.

Voting of trustees. Each member of the Trustees' Committee shall be entitled to one vote.

Procedure. Unless otherwise herein provided the Trustees' Committee may take action at a meeting of the members only by resolution adopted by a majority of the votes of all the members present at any meeting duly called, or in writing subscribed by all the members of the Trustees' Committee without a meeting thereof; but no action shall be taken in writing without a meeting, except with the unanimous consent of all the members of the Trustees' Committee. The board of directors of any Trustee shall have power to appoint one of the Vice-presidents or other executive officers as alternate for the President, who shall have all the powers and duties and be entitled to all the immunities herein specified in respect of a member of the Trustees' Committee.

No compensation to members. The members of the Trustees' Committee shall receive no compensation for their services.

III. ACCOUNTS AND AUDIT

Pursuant to the provisions of Section 45a-517 of the Connecticut General Statutes, as amended, and while the same shall remain in force, each Trustee shall annually prepare and file in the Probate Court for the District of New Haven for allowance by said Court, an account under oath, which account shall include an inventory of the estate held by such Trustee hereunder, and shall state the manner in which the principal thereof is invested and the items of income and expenditure. Each Trustee shall comply with the provisions of any other or further statutes which may be enacted and which may be applicable hereto.

The accounts of the Board of Directors shall be annually audited by an independent auditor appointed by the Trustees' Committee. The expenses of said audit or audits shall be paid out of the income of the funds as part of the expenses of the Board of Directors. The Board of Directors shall make each year a report of its proceedings during the preceding year, which shall state the aggregate of the funds, the disbursements made pursuant to the direction of the Board of Directors and the uses and purposes for which the same were made, which report shall be open at all reasonable times to the inspection of the public.

IX. SUCCESSOR CORPORATIONS

Any corporation which shall be successor to or shall acquire the property and assets of any of the Trustees, whether by purchase, merger, consolidation or otherwise, shall forthwith be and

become one of the Trustees hereunder with all the rights, powers, and duties vested in the predecessor Trustee by the terms hereof. In the event any Trustee is replaced pursuant to Paragraph VI, the Trustee designed by order of court of the terms of any applicable gift, grant, devise or bequest to succeed the replaced Trustee shall forthwith be and become the Successor Trustee with respect to such trusts or funds as shall be affected by such replacement, with all the rights, powers, and duties vested in the predecessor Trustee by the terms hereof or by any such gift, grant, devise or bequest.

Resignation of trustees. Any of the Trustees with the consent of the Probate Court may at any time resign and surrender the property held by it, and shall thereupon be discharged and released from its obligations under any gift, grant, devise or bequest of such property and hereunder.

X. MODIFICATION, CONSTRUCTION AND TERMINATION

The maker of any gift, grant, devise or bequest for the uses and purposes hereof and all persons claiming by, through or under him, and each Trustee by the acceptance thereof shall be conclusively deemed to have agreed that the Board of Directors may, by resolution adopted by the affirmative vote of nine of its members, when approved by resolution adopted by the affirmative vote of a majority of all the members of the Trustees' Committee, from time to time or at any time (1) modify, supplement or restrict the public, charitable, and educational uses and purposes to which the funds available for distribution may be applied herein; (2) change the method of appointment of the members of the Board of Directors or increase or reduce the number of its members; (3) construe any provision of this resolution and declaration, which shall be conclusive; (4) supply any defect or omission herein which said committee may then deem advisable to carry out the purposes of the Foundation properly and effectively; (5) amend the provision hereof in any respect which shall be consistent with the application of the entire net income and the principal of any gift, grant, devise and bequest for public, charitable, or education uses and purposes but for no other use or purpose whatever; (6) terminate the Foundation and all the powers and duties of the Board of Directors. A copy of any resolutions so adopted, certified as the Board of Directors shall direct, shall be delivered to the President of each of the Trustees for the time being, together with a copy or copies of this resolution and declaration as so amended and changed. In the event of the termination of the Foundation pursuant to the provisions of this Section, such termination shall be deemed to have taken place as soon as copies of the resolution of termination shall have been filed with the President of each Trustee as aforesaid. Upon such termination each of said Trustees shall thereafter, subject only to the approval of the Probate Court or other court having jurisdiction, hold and administer all funds which are then in its control under the provisions hereof upon the trust and for the purposes specified in paragraph (1) of Article IV hereof, the discretion therein given to the Board of Directors being thereafter exercised solely by said Trustee, unless the donor of said part of said trust fund shall have provided otherwise.