



# PARISH POOLED INVESTMENT TRUST

## Diocese of Tucson

❖ BISHOP MORENO PASTORAL CENTER ❖  
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520-792-3410 ♦ Fax: 520-838-2582 ♦ [www.diocesetucson.org](http://www.diocesetucson.org)

February 4, 2010

To Pastors and Administrators of Parishes of the Diocese of Tucson:

Bishop Kicanas and the trustees of the Parish Pooled Investment Trust, hereinafter PPIT, have revised the PPIT Trust Agreement effective November 17, 2009. A copy is attached for your information, review and comment. Your concurrence with the attached trust agreement will be assumed unless we hear from you prior to February 28, 2010.

The only significant revision to the original Trust Agreement dated February 9, 2006, occurs in paragraph 4 of the document titled, Investment of Funds.

The original language stated:

*"The Trust shall invest the pooled funds held under the terms of this trust in order to provide the highest rate of return on the principal to each participating parish..."*

The revised language states:

*"The Trust shall invest the pooled funds held under the terms of this trust in order to provide a range of investment options that will enable parishes to invest according to varying risk tolerance, savings time horizon, and other financial goals."*

There are several reasons the Trustees have changed this language. The first is due to the volatility of the market created by the current economic crisis. In addition, feedback from many parishes, indicated you felt the primary focus of the Trustees should be preserving parish deposits, while allowing parishes the flexibility to determine the extent of investment risk they wish to undertake.

To provide parishes with a better range of investment categories, the Trustees have revised the investment options for parish deposits. These new option categories include extremely conservative government-backed investments as well as increasingly riskier options with potentially greater return on investment. The following chart shows the old and new set of options:

OLD INVESTMENT OPTIONS		NEW INVESTMENT OPTIONS	
Category	Investment Definition	Category	Investment Definition
		A	U.S.-government insured or guaranteed funds
A	Short-term fixed income securities according to money manager's discretion.	B	Money market funds
B	25% equities and 75% fixed income	C	Bond Mutual Funds
C	60% equities and 40% fixed income	D	Stock Mutual Funds

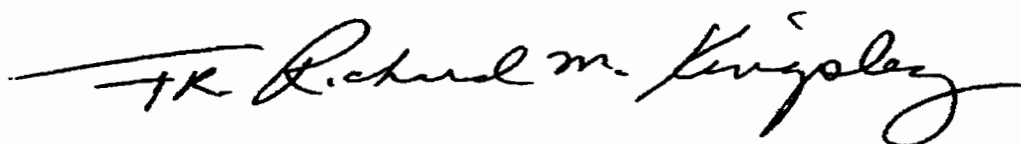
**What you need to know.**

1. The New Category A has been added to provide an option where there will be a place where Parish deposits can be invested in instruments that carry the full faith and credit of the U.S. Government.
2. The New Category B is essentially the same as the Old Category A and is invested in low-risk but non-guaranteed money market funds.
3. The New Categories C and D allow the parish to establish its own mix of Bonds and Stock Funds
4. Any deposits your parish now has in Old A will be moved to New B
5. Any deposits your parish now has in Old B will be split so that 75 % of your deposit will be moved to the New C and 25% of your deposit will be moved to New D.
6. Any deposits your parish now has in Old C will be split so that 40 % of your deposit will be moved to the New C and 60% of your deposit will be moved to New D.
7. Historically, the long term earnings on investments are greater as they move from A to B to C to D. Conversely, historically Option D has carried a greater risk of loss in the short-term.

**What you need to do.**

1. Nothing, if you are happy with the new allocations of your parish deposits.
2. On the other hand, if you wish to modify your parish PPIT deposits, please contact Mr. Tom Arnold, CFO.

Sincerely yours,



Rev. Richard Kingsley  
Chairman, Parish Pooled Investment Trust

**PARISH POOLED INVESTMENT TRUST  
OF THE  
DIOCESE OF TUCSON**

THIS PARISH POOLED INVESTMENT TRUST AGREEMENT OF THE DIOCESE OF TUCSON ("Agreement"), made and entered on the date set forth on the signature page hereof, by and between The Most Reverend Gerald F. Kicanas, as Bishop of the Diocese of Tucson, his successors in office, in his capacity as Bishop and in his capacity as an Arizona corporation sole, collectively as Settlor ("Settlor"), and Terri Campbell, Luis Dabdoub, Rev. Richard Kingsley, Teresa Nowak, Diana Ezrre Robles, Rev. Al Schifano and Kip Volpe, as founding Trustees ("Trustees") and their successor Trustees who hereby declare and agree that they have received from the Settlor, the sum of ten dollars (\$10.00) and that they will hold and manage the same, and all investments and reinvestment thereof and additions deposited herein from time to time by the Parishes of the Diocese of Tucson as a trust ("Trust") upon the following terms and conditions.

1. Name of Trust. The name of this trust shall be the "Parish Pooled Investment Trust" ("Trust"), and the Trustees shall conduct the activities of the Trust in that name.

2. Purpose of Trust. Settlor recognizes that the Parishes of the Diocese of Tucson are separate and distinct entities under Arizona law and under Canon Law. Settlor further recognizes that the Parishes of the Diocese of Tucson are recognized as separate entities under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended, and will, from time to time, have savings and reserves that are not needed for current operations and ministry. Settlor's purpose in establishing this Trust is:

(a) To allow the Bishop of the Diocese of Tucson to comply with his responsibilities under Canon Law; and

(b) To establish a Trust independent of the Diocese of Tucson to facilitate the deposit of excess and restricted funds of the Parishes of the Diocese of Tucson to be pooled for a greater rate of return.

3. Trust. The principal and earned interest of all funds received and accepted by the Trustees to be administered under this Trust shall be accounted for separately for each Parish within the Diocese of Tucson, under pooled accounts to be opened and accounted for under the separate names of the Parishes which have deposited funds in the Trust. Trustees may establish any written agreements with such Parishes for the maintenance of their individual funds, as the Trustees deem appropriate. The Trust may receive and accept deposit assets from Parishes of the Diocese of Tucson to be held, administered, and disposed of in accordance with and pursuant to the provisions of this Trust. No deposit assets shall be received from any organizations that are not under the canonical jurisdiction of the Bishop of the Diocese of Tucson. No deposit assets shall be received and accepted if they are conditioned or limited in such manner as to require the disposition of the income or its principal to any person or organization other than a "religious organization" or for other than "religious purposes" within the meaning of such terms as defined in this Trust, or as shall in the opinion of the Trustees, jeopardize the Federal income tax exemption of this Trust pursuant to Section 501(c)(3) of the Internal Revenue Code. By

depositing any funds in this Trust, the depositing Parishes are evidencing their assent to and agreement with all the terms of this Trust Agreement.

4. Investment of Funds. The Trust shall invest the pooled funds held under the terms of this Trust in order to provide a range of investment options that will enable parishes to invest according to varying risk tolerance, savings time horizon, and other financial goals. The pooled funds may also be utilized for loans to be made to Parishes of the Diocese of Tucson. The Trustees shall recommend an appropriate interest rate for any such loans. The lending Parishes shall ultimately determine what interest rate shall be charged for any particular loan. The Trust shall hold sufficient reserves equal to the account balances of the depositors. No funds of any particular Parish may be loaned to any other Parish within the Diocese of Tucson without the express prior approval of the Parish that owns the deposit in this Trust. If any proposed loan will adversely affect the return to be realized by the remainder of the pooled investments, the Trustees shall so advise the lending and borrowing Parishes of the adverse consequences of the proposed loan. The Trustees may, as a condition precedent to the funding of any such loan which will adversely affect the return to be realized by the remainder of the pooled investments, assess a penalty for the withdrawal of such funds.

5. Trustees.

(a) The current Trustees are Peter Humphreys, Rev. Richard Kingsley, Teresa Nowak, Diana Ezrre Robles, Rev. Al Schifano, Lirain Urreiztieta and Kip Volpe

(b) Trustees may resign at any time, upon tendering a written resignation. Trustees may be removed by the Settlor at any time, in the sole and absolute discretion of the Settlor. Settlor shall be guided by, but not restricted to, grounds for removal for conduct that is contrary to the Code of Canon Law.

6. Action of Trustees. The Trustees shall act by a vote of a majority of their number at any given time. A majority of the Trustees, represented in person, shall constitute a quorum for purposes of conducting any action of the Trustees. Any instrument required to be executed by this Trust shall, after approval of a majority of the Trustees, be valid if executed by an administrative Trustee to be designated by the Trustees. All actions of the Trustees shall be taken either by resolution at a meeting or by written record without a meeting. The Trustees shall appoint from among themselves a secretary, who shall keep a record of all actions of the Trustees. The Trustees shall appoint all other officers from among the ranks of the Trustees, as deemed appropriate from time to time. No person shall be required to see to the application of any money, securities, or other property paid or delivered to the Trustees, or to inquire into any action, decision, or authority of the Trustees.

7. Trustees' Powers. In the administration of this trust, the Trustees shall have all powers and authority necessary or available to carry out the purposes of this Trust and, without limiting the generality of the foregoing, shall have the following powers and authority, all subject, however, to the condition that no power or authority shall be exercised by the Trustees in any manner or for any purpose which may not be exercised by an organization which is tax exempt or by an organization to which donations are deductible from taxable income to the extent allowed by the Internal Revenue Code:

(a) To invest and reinvest the Trust property in bonds, stocks, mortgages, notes or other property of any kind, real or personal, suitable for the investment of trust funds;

(b) To cause any property belonging to the Trust to be held or registered in the Trust's name or in the name of a nominee or in such other form as the Trustees deem appropriate without disclosing the Trust relationship;

(c) To vote in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose; to exercise or sell any subscription or conversion rights; to consent to and join in or oppose any voting trusts, reorganizations, consolidations, mergers, foreclosures, and liquidations, and in connection therewith to deposit securities and accept and hold other property received therefor;

(d) To employ agents, attorneys, corporate trustees (for custodianship and investment purposes) and proxies and to delegate to them such powers as the Trustees consider desirable and pay reasonable compensation for such services;

(e) To compromise, contest, prosecute or abandon claims in favor of or against the Trust;

(f) To distribute income and principal in cash or in kind, or partly in each;

(g) To perform other acts necessary or appropriate for the proper administration of the Trust, execute and deliver necessary instruments, and give full receipts and discharges.

8. Successor Trustees. The original Trustees have been appointed by the Bishop of the Diocese of Tucson for a term of three (3) years. Vacancies existing in the office of Trustee, for whatever cause, shall be filled by the Settlor, but the Trustees may act notwithstanding the existence of any vacancy so long as there shall continue to be at least three (3) Trustees in office. The resignation of a Trustee, the removal of a Trustee under Paragraph 5.(b) above, and the appointment of a Successor Trustee shall be made by an instrument in writing. Every Successor Trustee shall have the same powers and duties as those conferred upon the Trustees named in this Agreement.

9. Bond and Compensation. No Trustee shall be required to furnish any bond or surety. Each Trustee shall serve without compensation for his or her services, but all expenses of this Trust or of any Trustees, which are incurred in connection with the performance of the Trustee's duties under this Agreement, shall be paid by the Trustees from the Trust.

10. Administration and Accounting By Trustees.

(a) The Trust may utilize the services of the Diocese of Tucson Pastoral Center staff, as well as the services of third party management companies, for the administrative, accounting, and recordkeeping services required by the Trust.

(b) The Trustees shall determine, from time to time, reasonable administrative fees to be paid by the Trust for the administrative, accounting, and recordkeeping services rendered to the Trust.

(c) The Trustees shall render an account of their transactions to the Settlor and the Parishes that have funds in the Trust at least quarterly. In the absence of the filing in writing with the Trustees by the Settlor and the Parishes of exceptions or objections to any such account within 60 days, the Settlor and the Parishes shall be deemed to have approved such account; and in such case or upon the written approval of the Settlor and the Parishes of any such account, the Trustees shall be released with respect to all matters and things set forth in such account as though such account had been settled by the decree of a court of competent jurisdiction. No one other than the Settlor and the Parishes that have funds in the Trust may require an accounting or bring any action against the Trustees with respect to this Trust.

11. Liability of Trustees. No Trustee shall be liable for loss in investments made in good faith. No Trustee shall be liable for the acts or omissions of any other Trustee, or of any accountant, agent, counsel, or custodian selected with reasonable care. No Trustee shall be under any duty to make any investigation or inquiry as to any statement contained in any written restrictions pertaining to funds to be pooled in the Trust by a Parish, but may accept the same as conclusive evidence of the truth and accuracy of the statements of restriction.

12. Amendment. This Agreement may be amended or modified from time to time by the Settlor whenever necessary or advisable for the more convenient or efficient administration of this Trust or to enable the Trustees to carry out the purpose of this Trust more effectively, but no such amendment or modification shall alter the purposes of this Trust. Every amendment or modification of this Agreement shall be made in writing, shall be signed by the Settlor, and shall be delivered to each of the Trustees then in office. Notice and copies of all such amendments shall be forthwith communicated to the Parishes of the Diocese of Tucson.

13. Duration and Termination. The duration of this trust shall be perpetual but may be terminated at any time by the Settlor. Upon any such termination, the Trustees shall distribute the account balance of this Trust to the Parishes of the Diocese of Tucson which have funds pooled in the Trust, less adjustments for liabilities (loans) for the individual account of each Parish participating in this Trust.

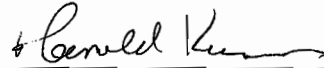
14. Books and Records. All of the books and records shall belong to the Trust, but shall be kept and maintained at the Pastoral Center of the Diocese of Tucson, located at 111 S. Church Avenue, Tucson, Arizona.

15. Situs. This Agreement is executed and delivered in the State of Arizona. The situs shall be in the State of Arizona. The Agreement shall be governed by the Code of Canon Law of the Roman Catholic Church and the laws of the State of Arizona.

16. Acceptance of Trust. The Trustees accept this Trust, and hold, manage, and administer the Trust Fund in accordance with the terms of this Agreement.

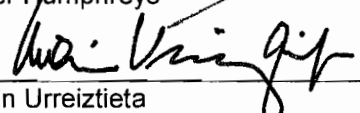
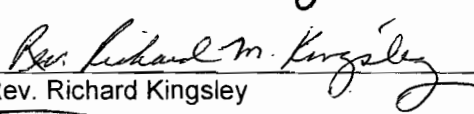
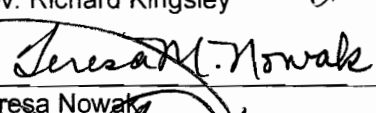

IN WITNESS WHEREOF, this Agreement has been executed by The Most Reverend Gerald F. Kicanas, as Bishop of the Diocese of Tucson, his successors in office, in his capacity as Bishop and in his capacity as a corporation sole, and by each of the named Trustees on this 17<sup>th</sup> day of November 2009.

Settlor:



The Most Reverend Gerald F. Kicanas, as  
Bishop of the Diocese of Tucson, his  
successors in office, in his capacity as  
Bishop and in his capacity as a corporation  
sole

Trustees:

  
Peter Humphreys  
Lirain Urreiztieta  
Rev. Richard Kingsley  
Teresa Nowak  
Diana Ezre Robles  
Rev. Al Schifano  
Kip Volpe