

The Knights of Columbus

Handbook For Councils Using Home Corporation Facilities

(Canada – Quebec)





Board of Directors meeting, Montreal, Quebec, 1924. (Photo courtesy Knights of Columbus Multimedia Archives)

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Father Michael McGivney seated in studio rectory setting. Photo attributed to John J. Tierney, circa 1870s.
(Photo courtesy Knights of Columbus Multimedia Archives)



Foreword

From serving members and veterans of the armed services to defending religious liberty to championing interracial justice in the 1960s, the Knights of Columbus has always addressed the religious, social, and material needs of Catholics and others since its founding in 1882. As Americans struggled to rebuild their bonds of brotherhood in the wake of the Civil War, the Order strengthened ties among its members according to the Catholic principles of charity, unity, and fraternity. The end of the 19th century was also a period of United States history marked by heightened anti-Catholic sentiment. It was in this environment that members began to establish “Permanent Homes” or Home Corporations to provide a space for members to meet for social interaction and charitable activity. As overt anti-Catholicism has decreased and Catholics have become more integrated into society, the Church and the Knights of Columbus are now facing new challenges.

Today, proclaiming the New Evangelization is essential to the mission of the Catholic Church and the Knights of Columbus. The Order recognizes how important it is for its members to bear witness to the Gospel of Jesus Christ through their councils and in their parishes. That is why the Knights of Columbus, in 2015, launched *Building the Domestic Church While Strengthening Our Parish*, its new Orderwide initiative to strengthen families and parishes. This initiative requires that we accelerate the process of moving *away* from Home Corporation-based councils and moving *toward* parish-based councils. After careful study, we have concluded that members are expending valuable time and resources managing Home Corporation facilities, diluting the mission integrity of the Order and impeding the charitable works of councils.

I am asking every council using facilities owned by Home Corporations to undertake a serious assessment of how that relationship either supports or detracts from the council’s ability to fulfill the mission of the Knights of Columbus. I am also asking councils to carefully consider whether they may better fulfill the mission of the Knights of Columbus to build the domestic church and strengthen the parish by re-locating to a local parish. For those councils that continue to use Home Corporation facilities, as well as those councils that may wish to become parish-based, this publication provides practical guidance on how councils can support the mission of the Knights of Columbus and the Catholic Church today and into the future.

Carl A. Anderson
Supreme Knight



Council No. 284, Montreal, Quebec, 1920-1929.
(Photo courtesy Knights of Columbus Multimedia Archives)

Introduction

The Knights of Columbus conducts its charitable and fraternal mission through an extensive network of subordinate councils, which are prohibited from owning real property. Subordinate councils are unincorporated associations holding charters from the Knights of Columbus or otherwise approved by the Board of Directors of the Knights of Columbus; they are subject to dissolution or merger according to the Order's laws. Subordinate councils have the discretion to choose a suitable location to conduct their activities in light of the mission and identity of the Knights of Columbus. The Supreme Council has strongly encouraged councils to meet at a local parish, in accord with the original vision of Father McGivney.

In the past, individual members of some subordinate councils decided on their own to form corporations outside the control of the Knights of Columbus for the purpose of buying real property and owning buildings where their councils could establish a "permanent home." These corporations came to be known as "Home Corporations." "Home Corporation" is a generic term for what are variously known as "permanent homes," "home associations," "council halls," "Columbus Clubs," "KC Clubs," and "Knights of Columbus Clubs." Home Corporations are independent legal entities formed under the applicable laws of the jurisdictions in which members of local councils are situated. They are not subordinate units of the Knights of Columbus and are not subject to the Charter, Constitution, and Laws of the Order. The properties and buildings owned by Home Corporations are not owned, operated, or maintained by the Knights of Columbus. The Home Corporations, and not the Knights of Columbus, are solely responsible for all liabilities arising from the properties and the activities conducted there.

Many Home Corporations have decided to operate side businesses to help pay taxes, utilities, insurance premiums, and other expenses arising from the maintenance of property and a building. Corporate side businesses have often included rentals of the corporation's facilities to the general public. In such situations, the business of renting facilities is carried out by and for the corporation, not the local council or the Supreme Council. The Knights of Columbus does not authorize, endorse, or otherwise participate in business decisions relating to rental of Home Corporation facilities. Furthermore, the Supreme Council does not receive any revenue from the rental of Home Corporation facilities.

Because Home Corporations are legally separate and distinct from local councils, state councils, and the Supreme Council, they are not authorized to use the trademarks of the Knights of Columbus. This means, among other things, that a Home Corporation may not use "Knights of Columbus" or "K of C" in its legal corporate name. Instead, as an independent corporate entity, a Home Corporation must develop its own original brand name and logo to market and conduct its commercial business rentals. The corporate brand name and logo may not in any way use the trademarks of Knights of Columbus. Accordingly, a Home Corporation should avoid branding or marketing its facilities and business in a manner that would confuse or mislead the public into thinking that the local council or the Supreme Council owns the Home Corporation's property or its rental business. Many corporations have chosen names and marketing themes for their corporate name and business name that make sense in the context of the local community (e.g., local landmarks, local geographical features, Catholic historical figures, Catholic Saints, local history, street address/location, etc.). Many other corporations have gone a step further and developed their own brand in connection with their facility rental business. To avoid confusion, Home Corporations should not use names such as "KC Hall," "Knights Hall," and other similar terms.

A Home Corporation may remain a suitable location for the fraternal and charitable activities of a subordinate council as long as the Home Corporation's business operations and activities do not conflict with the mission and activities of the council. In the rare event that there are allegations of unlawful or immoral conduct at a facility owned by one of these corporations, the Supreme Council requires the local council that meets at the facility to conduct a thorough review of the incident in light of the mission and identity of the Knights of Columbus and to carefully consider whether it should re-locate to a local Catholic parish.

For more than 40 years, the Supreme Council has encouraged local councils to become more closely integrated into the life of the parishes with which they are associated. Consistent with this policy, the Supreme Council has for many years discouraged members from forming Home Corporations to serve as "permanent homes" for their councils and instead has urged all new and existing councils to focus on greater involvement in their parishes. By participating more fully in parish life, rather than concerning themselves with the operation of private social clubs and businesses, individual members may more effectively carry out the Order's charitable and evangelical mission and its commitment to community service.

Today, proclaiming the New Evangelization is essential to the mission of the Catholic Church and the Knights of Columbus in the 21st century. The Order recognizes how important it is for its members to bear witness to the Gospel of Jesus Christ in their councils and parishes. That is why the Knights of Columbus, in 2015, launched *Building the Domestic Church While Strengthening Our Parish*, its new Order-wide initiative to strengthen families and parishes. This initiative requires, among other things, that the Order accelerate the process of moving away from Home Corporation-based councils and moving toward parish-based councils.

Careful study has shown that members of many councils are expending valuable time and resources managing Home Corporation facilities, diluting the mission integrity of the Order and displacing the charitable works of the councils. Accordingly, at the same time that the Supreme Knight launched *Building the Domestic Church While Strengthening Our Parish*, he also asked every council using facilities owned by a Home Corporation to undertake a serious assessment of how that relationship supports the council in fulfilling the core mission of the Knights of Columbus. This assessment should determine whether the Home Corporation's challenges are substantially affecting a council's ability to carry out this core mission. This assessment should consider such factors as:

- Whether the majority of council members' time, resources, and attention are devoted to addressing the problems and concerns of the Home Corporation whose facility it uses.
- Whether a Home Corporation's property tax obligation, utility bills, liability insurance premiums, and other expenses are so burdensome that it is forced to charge the council and its members a disproportionate rent or other fees that may exceed fair market rents of similar facilities in the area.
- Whether a Home Corporation struggles to find suitable rentals to pay its bills because of competition from modern professional banquet halls and hotel facilities in the same area.
- Whether the local reputation of the Knights of Columbus is defined more by non-Knights of Columbus rentals of a Home Corporation's facilities than by the Order's charitable and evangelical mission.
- Whether there is such strife, factionalism, and outright conflict among members concerning the Home Corporation that the Order's principle of Unity is broken and the council is unable to effectively carry out its essential mission and attract new members.

If a council finds that it is experiencing one or more of the scenarios described above, the council should seriously consider relocating to a parish.

At the 132nd Supreme Convention in 2014, the Supreme Council unanimously adopted a resolution establishing a policy requiring councils using Home Corporation facilities to enter into written agreements governing (1) a council's use of Home Corporation facilities (the "Terms of Use Agreement") and (2) how matters will be settled between the council and the Home Corporation in the event that the Home Corporation chooses to wind up its affairs (the "Charitable Distribution Agreement"). These agreements empower councils to identify, address, and resolve issues that may arise in connection with Home Corporations. In establishing this policy, the Supreme Council expects councils and Home Corporations to work together in their distinct but complementary roles – namely, that of tenant and landlord. The Supreme Council expects that officers of councils and representatives of Home Corporations will act in good faith to clarify the relationship between their respective organizations in order to promote the mission of the Knights of Columbus. In addition, it is expected that councils will become better stewards of the good name of the Knights of Columbus and better guardians of the Order's valuable trademarks.

The Supreme Advocate's Office has published the Terms of Use Agreement and Charitable Distribution Agreement, along with applicable Supreme Council resolutions and other valuable guidance and policies, such as updated guidance regarding conflicts of interest, insurance, and council investments. All these items are available in this "Handbook for Councils Using Home

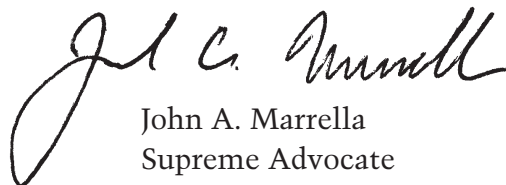
Corporation Facilities". This Handbook provides a full range of practical guidance to councils using Home Corporation facilities in order to allow councils to focus more on the Order's fraternal, religious, and charitable programs and less on concerns associated with the operation of a private social club.

Specifically, the Handbook includes a Council Checklist for Assessment of Council/Corporation Relationship developed by the Office of the Supreme Advocate to help councils carry out the Supreme Knight's request for an assessment of the council/corporation relationship in light of the mission of the Knights of Columbus. By following the procedures on the Checklist and using the Assessment Score Sheet included in the Handbook, council officers can determine whether a council should establish itself as a parish-based council. For councils that decide to become parish-based councils, the Handbook provides a procedure that will facilitate an orderly disengagement from a Home Corporation.

For councils that determine that a Home Corporation continues to support the mission of the Knights of Columbus, the Handbook presents two model contractual agreements: (1) a Terms of Use Agreement; and (2) a Charitable Distribution Agreement. The Terms of Use Agreement and the Charitable Distribution Agreement were developed in a spirit of fraternity for councils using Home Corporation facilities. These agreements recognize that councils, Home Corporations and the Knights of Columbus are all separate and distinct entities, and that agreements are made exclusively between a council and a Home Corporation. Neither the Knights of Columbus Supreme Council nor any state council is a party to these agreements. These agreements empower members of councils and Home Corporations to avoid potential problems before they happen and to address problems when they occur – on their own. For councils that may decide in the future to become parish-based, these agreements provide a framework in which to manage such a transition. Council officers simply send out a "Meeting Notice Postcard for Agreements" and propose the "Motion Authorizing Grand Knight or Deputy Grand Knight to Sign Terms of Use and Charitable Distribution Agreements".

Whether a council decides to strengthen its relationship with its Home Corporation or transition to a parish, the Handbook provides the legal framework to make that decision as simple as possible. However, in accordance with the Supreme Council resolution adopted in 2014, unless there is a compelling reason to the contrary, councils that continue to use Home Corporation facilities must implement the model agreements as soon as practicable and those agreements shall supersede any agreements that may already exist between the council and the Home Corporation.

General guidance on a wide variety of issues facing councils using Home Corporation facilities is readily available on the Officers' Desk Reference under the "Councils Using Home Corporations" tab.



John A. Marrella
Supreme Advocate



Council No. 1356, Montreal, Quebec, Approx. 1932. (Photo courtesy Knights of Columbus Multimedia Archives)

Then and Now:

A Brief History of Councils and Home Corporations

Since its founding in 1882, the Knights of Columbus has addressed the religious, social and material needs of its members. As Americans struggled to rebuild their bonds of brotherhood in the wake of the Civil War, the Order strengthened ties among its members — many of whom were veterans of the war — according to the Catholic principles of charity, unity, and fraternity.¹ At the time, few social institutions for Catholics existed within heavily Protestant New England, and there was a strong desire to own property among recent immigrants who joined the Order in large numbers.² By the end of the 19th century, a movement began among local council members to create “Home Corporations”³ in order to secure “permanent homes” for their councils. This popular initiative spread across the United States and Canada and over time evolved into a

¹ Mary Ann Clawson, *Constructing Brotherhood: Class, Gender, and Fraternalism* (Princeton University Press: Princeton, 1989), 125.

² David T. Beito, *From Mutual Aid to the Welfare State: Fraternal Societies and Social Services, 1890-1967* (University of North Carolina Press: Chapel Hill, 2003), 22; Christopher J. Kauffman, *Faith and Fraternalism: The History of the Knights of Columbus* (Simon & Schuster: 1992), 1.

³ “Home Corporation” is a generic term for what are variously known as Permanent Homes, Home Associations, Columbus Clubs, KC Clubs, Knights of Columbus Clubs, etc.

movement toward men's private social clubs that were largely supported by sales from members-only bars, hall rentals and gaming revenues. For generations, these Home Corporations were the sites of events such as Lenten fish fries, community dances and wedding receptions. A deep reservoir of cherished memories and goodwill connected to Home Corporations developed among generations of members and their families.

However, by the end of the 20th century, a combination of factors forced many Home Corporations to sell their properties — a trend that continues today. These factors include escalating tax and regulatory burdens, increased insurance premiums, risks of legal liability, and the proliferation of newer and reasonably priced upscale banquet halls and conference facilities. The Order's leadership also came to realize that Home Corporation-based councils were not necessarily the ideal means for councils to promote the New Evangelization⁴ that St. John Paul II advocated so powerfully throughout his pontificate and that the Knights of Columbus has made an essential part of its mission. Accordingly, the Supreme Council has made a deliberate decision to encourage councils to return to Father McGivney's original vision of parish-based councils.

This handbook traces the historical arc of the “permanent home” movement from its beginning to the present. It then provides practical guidance to local councils that continue to use facilities owned by Home Corporations on how they can best position themselves for ongoing use of these facilities. It also provides guidance to members on how they can transition their council to become a parish-based council and transfer the proceeds from the sale of the Home Corporation facility back to the council for charitable distribution.

Establishing Roots

As of 2014, there were nearly 2000 Knights of Columbus councils with more than 200,000 members across all 10 Canadian provinces and territories that raised and gave \$22,446,635 and 9,292,926 volunteer hours. The presence of the Knights of Columbus in Canada began in Quebec with the establishment of a council in Montreal in 1897. As of 2014, the Knights of Columbus in Quebec have more than 500 councils across the province with 90,000 members who donated 11.4 million dollars and nearly 1.7 million hours of service to charitable causes in 2013. In that year, Quebec was the most charitable of the Knights of Columbus' regions.

From the start, Father McGivney envisioned parish-based councils, encouraging pastors to “exert [their] influence in the formation of a Council in [their] parish.”⁵ At the time, anti-Catholic Nativism was widespread throughout the United States, particularly in New England, where groups such as the American Protective Association worked to isolate and exclude Irish Catholics, among others.⁶

In 1868, at the age of 16, Father McGivney entered the Séminaire de Saint-Hyacinthe in Saint-Hyacinthe, Quebec. Soon thereafter, he studied at the Jesuit St. Mary's College in Montreal until 1873 when he returned home to Connecticut to help raise his siblings subsequent to the death of his father.

The Home Corporation movement began in the last decade of the 19th century, when members began on their own initiative to form corporations to purchase property and build

⁴ Paul VI, Dogmatic Constitution On The Church, *Lumen Gentium*, 31 (1964); Apostolic Exhortation, *Evangelii Nuntiandi: On Evangelization in the Modern World* (1975).

⁵ Michael J. McGivney, letter to pastors, April 1882.

⁶ Donald Kinzer, *An Episode in Anti-Catholicism: The American Protective Association* (University of Washington Press: Seattle, 1964).

permanent homes for their councils and venues for related activities. The initiative was supported by the Supreme Council and members of the Church hierarchy, who saw in it an opportunity to enhance Catholic life and culture in the largely Protestant United States. *The Columbiad* — the forerunner to *Columbia* as the Order's official magazine — regularly published columns encouraging councils to establish permanent homes where members could gather together with “the added spirit of proprietorship, the feeling one has who lives with those near and dear to him in his own home, bought and paid for with his own money.”⁷ Fundraising to establish these permanent homes was conducted entirely by members of local councils. Members held concerts and banquets and sold bonds to raise the funds necessary to build, buy or lease a Home Corporation property. Subsequent generations of members invested their own personal wealth and sweat equity to maintain and improve these properties.

Building a Presence

The Home Corporation movement continued throughout the 1910s and 1920s, but slowed down during the Great Depression. The movement regained momentum after World War II, as members, with the encouragement of the Supreme Council, purchased property and constructed buildings. To subsidize the maintenance and improvement of these properties, many Home Corporations rented their facilities to the public, becoming a venue for dances, concerts, retirement dinners, wedding receptions and other events. Since there was no requirement that these renters have a connection to the Catholic faith, many Home Corporations came to resemble commercial businesses.



Chevaliers de Colomb Conseil 1145 St. Jean, Que. K of C Hall, Saint-Jean-sur-Richelieu, Que. (Photo courtesy Knights of Columbus Multimedia Archives)

⁷ John H. Reddin, “How a Council Can Acquire a Home or Building,” *The Columbiad*, October 1905.

By the 1960s, however, overt anti-Catholic sentiment in the United States had lost much of its former strength, due in large part to the fact that Catholics had become integrated into virtually every institution of American life, including even the nation's presidency with the election of John F. Kennedy, a member of Bunker Hill Council 62 in Charlestown, Massachusetts. Consequently, Catholics were less inclined to segregate themselves in Catholic social clubs such as Knights of Columbus halls. In addition, it became increasingly clear that the responsibilities of managing and maintaining Home Corporation buildings and properties were distracting local councils from the original mission of the Knights, since such responsibilities diverted the councils' energy and attention from the Order's charitable and fraternal programs.

By the late 1970s, the Supreme Council recognized that in order to better serve the Church, there would need to be a closer relationship between local councils and parishes. As a result, the Parish Round Table Program was established for councils to support and assist parish pastors. As Home Corporations continued to decline, parish round tables increased as a way to promote membership in the Order. In many ways, the Parish Round Table Program overlapped with the New Evangelization called for by Pope Paul VI in his 1975 apostolic exhortation *Evangelii Nuntiandi*⁸ and promoted throughout the pontificate of St. John Paul II as the Order renewed its emphasis on supporting the Church in solidarity with its priests and bishops. In an address in 1985, Supreme Knight Virgil C. Dechant pointed out that, as the Catholic population in the United States and Canada continues to grow, the best way for the Knights of Columbus to increase its membership is by strengthening ties between local councils and parishes.⁹ By participating more fully in parish life, rather than isolating themselves in private social clubs, members could more effectively assist the Church's evangelization efforts through an increased emphasis on the Order's charitable mission and its commitment to community service.



Salle de Chevaliers de Colomb, K of C Club House, Saint-Jean-sur-Richelieu, Quebec. (Photo courtesy Knights of Columbus Multimedia Archives)

Today's Challenges

Today, Home Corporations face challenges that were unforeseen by earlier generations of members, as buildings have deteriorated and member-shareholders struggle to cope with the burdens of increased property taxes, insurance premiums and legal liabilities. In addition, the Home Corporation business model that relies so heavily on third-party rentals is no longer economically viable, as Home Corporations often cannot compete with newer, reasonably priced

⁸ Pope Paul VI, *Evangelii Nuntiandi: On Evangelization in the Modern World*, 1975.

⁹ Virgil Dechant, "Knights in Action," *Columbia*, February 1985.

and richly appointed professional banquet halls and conference facilities. As a result of these trends, many Home Corporations have already sold their properties and dissolved, while many others remain only marginally stable and are consequently vulnerable to risks and liabilities. Although some Home Corporations have managed to remain financially solvent, state deputies and the Office of the Supreme Advocate continue to receive numerous requests for assistance in handling disputes, liabilities, injuries and controversies that arise in connection with Home Corporations. These matters frequently lead to litigation in which the local council, state council, and even the Supreme Council are sued. Factions often arise among members over how the proceeds from the sale of Home Corporation facilities should be distributed.

Finally, many Home Corporations experiencing financial distress sometimes agree to rent their facilities to individuals and organizations that use the buildings for purposes that are inconsistent with the mission and identity of the Knights of Columbus. These rentals cause reputational harm to the Order in the council's local community, on social media and the Internet, and, consequently, around the world.

Looking Forward

At the 132nd Supreme Council meeting in August 2014, the Supreme Council passed a resolution regarding the relationship between councils and Home Corporations. In Resolution 340 (Appendix A), the Supreme Council adopted a policy requiring councils using Home Corporations' premises to have a Terms of Use Agreement and a Charitable Distribution Agreement. In late 2015, the Supreme Knight asked every council using facilities owned by a Home Corporation to undertake a serious assessment of how that relationship supports the council in its fulfillment of the core mission of the Knights of Columbus. This assessment should determine whether Home Corporation issues are substantially impacting a council's ability to carry out this core mission and whether it is time for the council to move into a parish.

In handling countless inquiries, the Office of the Supreme Advocate has developed an extensive practical knowledge of the problems that frequently arise between local councils and the Home Corporations whose facilities they use. In response to these situations and requests for help, a Council Checklist for Assessment of Council/Corporation Relationship (page 16) has been developed. By following the procedures on the Checklist and using the Assessment Score Sheet (page 20) included in this handbook, the officers will determine if the council should establish itself as a parish-based council. In the event the officers reach this decision, following the procedures on the Checklist, they will send out the Meeting Notice Postcard for Disengagement (Appendix B) and propose the Motion for Disengagement at the meeting (Appendix C).

On the other hand, if the officers determine that the Home Corporation continues to support the mission of the Knights of Columbus, following the procedures on the Checklist, they will send out the Meeting Notice Postcard for Agreements (Appendix D), and propose a motion authorizing the grand knight or deputy grand knight to sign the Terms of Use and Charitable Distribution Agreements (Appendix E). The Terms of Use Agreement (Appendix F) and the Charitable Distribution Agreement (Appendix G) have been developed in a spirit of fraternity for councils using Home Corporation facilities. These agreements recognize that councils, Home Corporations, and the Knights of Columbus are all separate and distinct entities, and that any agreements are made exclusively between a council and a Home Corporation.

Neither the Knights of Columbus Supreme Council nor any state council is a party to these agreements. These agreements empower members of councils and Home Corporations to avoid potential problems before they happen and to address problems when they occur — on their own. For councils that may decide in the future to become parish-based, these agreements provide a framework in which to manage such a transition. Whether a council decides to strengthen its relationship with its Home Corporation or to transition to a parish-based council, this handbook provides the legal framework to make that decision as uncomplicated as possible.

For those councils who wish to transition directly to a parish-based council, there will be no need for a Terms of Use Agreement. However, those parish-based councils may still need a Charitable Distribution Agreement. In response to such situations, an alternative version of the Charitable Distribution Agreement (Appendix H) for use without the Terms of Use Agreement has been developed.

Every council officer should understand and adhere to his obligations of good faith and loyalty to the council. In order to assist with an understanding of this obligation, a conflict of interest guidance summary, with a conflict of interest disclosure form, is included in this handbook (Appendix I).

As a result of conflicts that have arisen between members of councils, the Supreme Council in 2014 passed Resolution 341 (Appendix J), regarding distribution of a council's assets on dissolution. Although Resolution 341 is not directly related to a council's use of Home Corporation facilities, experience has shown that councils often disengage from a Home Corporation at the same time that they wind up their affairs and dissolve. Therefore, Resolution 341 is included here for ease of reference.

For those councils who receive funds under the Charitable Distribution Agreement or have other funds to invest, they should consider engaging Knights of Columbus Asset Advisors (Appendix L) to undertake a prudent investment plan among other options.

Ultimately, the guidance contained in this handbook is meant to equip members with the tools necessary to solve their problems locally, so that they may more effectively support the mission of the Knights of Columbus and the Catholic Church. What follows are examples and illustrations of actual cases from the field demonstrating some of the problems which Home Corporations face (Section 1), as well as opportunities to further the charitable mission of the Knights of Columbus (Section 2).



Council 1128, Quebec, Canada. (Photo courtesy Knights of Columbus Multimedia Archives)

Examples and Illustrations

Section 1: Difficult Problems

The following scenarios, which are based on actual incidents, are examples of some of the most difficult problems that can arise between councils and Home Corporations. Each scenario refers to specific sections of the agreements that are intended to address and resolve these problems.

Scenario 1: *A Home Corporation rents its facility to a group planning a New Year's Eve party titled "The Capricorn Fiasco." Fliers for the party on Facebook feature several scantily-clad women and boast of music by DJ SexyPants, a "sick" dance floor, and cash prizes to the "hottest ladies in the club." The flier lists the event's location as "Knights of Columbus Hall" and mentions that the event is BYOB. Underage drinking occurs and a fight breaks out in the parking lot. Shots are fired. The police are called, and the next day the local newspaper mentions the incident as having occurred at the local "Knights of Columbus Hall." A lawsuit is filed against both the Home Corporation and the council.*

Resolution: Terms of Use Agreement Section 10.1 prohibits Home Corporations from using the Trademarks of the Knights of Columbus, including "Knights of Columbus" and "K of C." Section 10.2 prohibits Home Corporations from using the Trademarks in their legal name. Section 10.4 requires the Home Corporation to include a Rental Agreement Addendum in its standard rental contract to protect the Order's marks from infringement by any third-party renters. Section 11 provides guidelines to the council for properly displaying the Order's Trademarks on Home Corporation facilities. Section 9 requires that Home Corporations must maintain liability insurance, including Dram Shop Liability insurance, in connection with the operation of its bar. Section 9 also requires the Home Corporation insurance to name the council as an additional insured on its policy. In the event that the Home Corporation continues to allow third-party renters to infringe on the Order's Trademarks and to damage the reputation of the Knights of Columbus, Section 16 allows the council to terminate the Terms of Use Agreement on the basis that such infringements constitute a material breach of the agreement.

Scenario 2: *A pro wrestling event is held at a Home Corporation facility. Tweets and Facebook fliers refer to "the baddest fight you will ever see" and list the event's location as "Knights of Columbus Hall." YouTube videos posted of the event depict two women cage fighting with the Knights of Columbus name and emblem clearly visible in the background.*

Resolution: Terms of Use Agreement Section 10.1 specifies that Home Corporations are prohibited from using the Trademarks of the Knights of Columbus, including "Knights of Columbus" and "K of C". Section 10.2 prohibits Home Corporations from using the Trademarks in their legal name. Section 10.4 prohibits third-party renters from using any of the Order's Trademarks in promoting the event of the renter on the premises. Section 9 requires that Home Corporations maintain Commercial General Liability insurance. In the event that the Home Corporation continues to allow third-party renters to infringe on the Order's Trademarks and to damage the reputation of the Knights of Columbus, Section 16 allows the council to terminate the Terms of Use Agreement on the basis that such infringements constitute a material breach of the agreement.

Scenario 3: *A bartender at a Home Corporation bar serves alcohol to underage minors during a council-sponsored charitable event held at the Home Corporation. The minors are killed in a car accident upon leaving the event. Both the Home Corporation and the council are sued, and the incident causes widespread notoriety for the council. Subsequent investigation reveals that the liquor license was erroneously issued in the name of the council rather than the Home Corporation.*

Resolution: Terms of Use Agreement Section 6.2 prohibits the service of alcoholic beverages at fraternal or charitable programs unless food is served. Section 8 requires that the council must maintain Host Liquor Liability insurance. Section 9 requires that the Home Corporation maintain liability insurance, including Dram Shop Liability insurance, in connection with the operation of its bar. Section 13 requires that the Home Corporation must hold all applicable licenses, including liquor licenses.

Scenario 4: *A Home Corporation has sold its building and property, and members are now in conflict over how the proceeds of the sale should be distributed. Half of the members want to keep the money and save it to buy another building, while the other half want to donate the funds to charity. The members are bitterly divided, and several officers have stepped down from their positions. Many members are threatening to leave the council and some have already left, while others want to dissolve the Home Corporation altogether. General attendance at meetings and council events is down and morale is low.*

Resolution: Terms of Use Agreement Section 18 sets forth a three-tiered dispute resolution process. Charitable Distribution Agreement Section 2 provides that the real property and assets of the Home Corporation will be transferred to the council, if legally permissible, or donated to a charitable organization upon dissolution of the Home Corporation, unless the Home Corporation decides to purchase another building within three years. Upon the transfer of the proceeds to the council, the funds become “council funds” within the meaning of Section 122 of the Laws of the Order. Accordingly, the disposition of the council funds will be subject to the procedural due process provision contained in Section 122. Section 5 of the Charitable Distribution Agreement sets forth a three-tiered dispute resolution process to address disputes between members of the council and Home Corporation.

Scenario 5: *A Home Corporation rents its facility to a New Age fair with astrologers, psychics, tarot card readers and crystal healers. The New Age fair proprietors use the trademarked name and emblem of the Knights of Columbus to promote the event. Despite multiple warnings from the local council to stop renting its facilities to third-party renters who are infringing upon the Order’s valuable Trademarks and causing harm to the reputation of the Knights of Columbus, the Home Corporation continues to do so. The local priest has heard of the Home Corporation’s actions, and at Mass he has publicly condemned the Corporation’s decision to continue to rent to the New Age fair. The local bishop has also become aware of the situation and is extremely upset with the Knights of Columbus and has registered a complaint with the state deputy. The pastor has written directly to the Supreme Knight. Members are in conflict with each other, and many have left the council because of the scandal involved.*

Resolution: Terms of Use Agreement Section 10.4 specifies that the Home Corporation must include a Rental Agreement Addendum (Schedule 1) to its standard rental agreement that prohibits the third-party renter from using the Order’s valuable Trademarks in connection with its rental. In the event that the Home Corporation continues to allow third-party renters to infringe on the Order’s Trademarks and to damage the reputation of the Knights of Columbus, Section 16 allows the council to terminate the Terms of Use Agreement on the basis that such infringements constitute a material breach of the agreement.

Scenario 6: *A council holds its regular monthly meetings at the local Home Corporation building. The council displays the emblem of the Order on the building, along with “Knights of Columbus” in large lettering, but does not include the council’s name or information on when the council meets. The Home Corporation’s legal corporate name is “Knights of Columbus Club, Inc.” and its website uses the Knights of Columbus Trademarks to promote building rentals.*

Resolution: Terms of Use Agreement Section 11 provides guidelines on how a council may display the Order's Trademarks on the Home Corporation's facility. Section 10.2 prohibits the Home Corporation from using the Trademarks of the Knights of Columbus in its corporate name and the Home Corporation should take immediate steps to change its name. Section 10.4 prohibits third-party renters from using the Trademarks of the Knights of Columbus in promoting the event of the third-party renter.

Section 2: Opportunities for Charitable Service

Councils should make Home Corporation facilities centres for charitable activity in the community to the greatest extent possible. The following are examples of successful use of Home Corporation facilities.

Scenario 7: For the 22nd consecutive year, Fairview Council 4044 in Chicopee, Massachusetts, hosted its annual Thanksgiving dinner at the Home Corporation facility it uses, serving more than 3,800 meals throughout the week. Beginning on the Monday before Thanksgiving, council members delivered 2,000 meals to the homebound and cooked for about 400 people at the Chicopee Boys and Girls Club. The council also delivered food to military personnel at Westover Air Reserve Base and served food at a local soup kitchen before joining 200 volunteers at the Home Corporation facility to wait on approximately 1,000 diners there. The staff used the Home Corporation kitchen to prepare in total 4,200 pounds of turkey, 1,000 pounds of potatoes, 1,200 pounds of squash and 1,000 gallons of gravy.

Scenario 8: When a fertilizer plant exploded in West, Texas, in 2013, members of West Council 2305 used the Home Corporation facility as a center of community support and charity. In less than 48 hours after the explosion, the council used the Home Corporation facility to host the people of West and served a hamburger supper, offering neighbors and friends a chance to grieve and be together. The following Sunday after Mass, more than 500 people traveled to the Home Corporation facility for a community luncheon. Due to its central location, the Home Corporation facility became vital to relief efforts. The Red Cross, several major insurance companies, and a number of other agencies, organizations and ministries joined together at the Home Corporation facility to provide a wide variety of services to those in need, including food and other supplies, spiritual guidance, mental health assistance, insurance aid and legal consultation. The facility also served as a meeting place after the funerals of the fallen, with the council donating the food for luncheons after services.



Council 1459, New Brunswick, Canada. (Photo courtesy Knights of Columbus Multimedia Archives)

Council Checklist for Assessment of Council/Corporation Relationship

☐ I. Officers' Meeting

1. Invite the district deputy to the next officers' meeting.
2. The grand knight, and other officers should undertake an initial assessment of whether their council's continued use of Home Corporation facilities supports or impedes their council's ability to fulfill the mission of Knights of Columbus. This analysis should be undertaken at a regular officers' meeting, using the five factors listed below in number 3.
3. Five leading factors to determine whether Home Corporation problems are substantially impacting a council's ability to carry out the mission of the Knights of Columbus and whether it is time for the council to move into a parish:
 - i. Whether the majority of council members' time, resources, and attention are devoted to addressing the problems and concerns of the Home Corporation whose facility it uses.
 - ii. Whether a Home Corporation's property tax obligation, utility bills, liability insurance premiums, and other expenses are so burdensome that it is forced to charge the council and its members a disproportionate rent or other fees that may exceed fair market rents of similar facilities in the area.
 - iii. Whether a Home Corporation struggles to find suitable rentals to pay its bills because of competition from modern professional banquet halls and hotel facilities in the same area.
 - iv. Whether the local reputation of the Knights of Columbus is defined more by non-Knights of Columbus rentals of a Home Corporation's facilities than by the Order's charitable and evangelical mission.
 - v. Whether there is such strife, factionalism, and outright conflict among members concerning the Home Corporation that the Order's principle of Unity is broken and the council is unable to effectively carry out its essential mission and attract new members.
4. If the officers find that their council is experiencing one or more of the scenarios described in the five factors above, the officers should seriously consider helping their council establish itself as a parish-based council.
5. The district deputy, council advocate, and other officers review this *Handbook for Councils Using Home Corporation Facilities*. Those councils that are moving to a parish should review and use Appendices B, C, and H. Those councils that have determined that the Home Corporation continues to support its mission should

review and use Appendices D, E, F, and G. All councils should conduct themselves in accordance with and adhere to the conflict of interest guidance summary [Appendix I].

6. If there are written agreements between the Home Corporation and council, the council should consult with an attorney prior to and with regard to entering into the Terms of Use Agreement and the Charitable Distribution Agreement or the disengagement from the relationship through the council disengagement procedure.
 7. The district deputy should relay any questions or concerns that the officers may have directly to the state deputy and the state advocate. The district deputy should plan to attend the council's (or assembly's and/or chapter's, if applicable) next two business meetings.
 8. For those councils that are continuing to use Home Corporation facilities, council officers should schedule a meeting with Home Corporation officers to present the Supreme Council's policy and agreements for Home Corporation officers' review and consideration.
 9. For those councils that are continuing to use Home Corporation facilities, council officers should contact insurance agent recommended by Office of Supreme Advocate [Appendix K] or a local trusted insurance broker.
-

☐ II. **First Business Meeting**

1. At the next regular business meeting, when discussing new business, the grand knight announces the Supreme Knight's request that the officers of every council using Home Corporation facilities undertake an assessment of the relationship between the council and the Home Corporation. The district deputy is on hand to answer questions and to relate any concerns to the state deputy and the state advocate.
2. If the council officers have decided that the council should move to a parish, the grand knight informs members that there will be a vote at the next business meeting to adopt a motion [Appendix C] that authorizes the grand knight to send a Letter of Disengagement, and if appropriate, to enter into a Charitable Distribution Agreement (for Use Without Terms of Use Agreement) on behalf of the members of the council [Appendix H].
3. For those councils that are continuing to use Home Corporation facilities, the grand knight should reiterate the Supreme Council's policy that all councils using Home Corporation facilities must have agreements in place between the council and the Home Corporation [Appendix A]. The grand knight informs members that there will be a vote at the next business meeting to adopt a motion [Appendix E] that authorizes the grand knight or deputy grand knight to enter into the agreements with the Home Corporation [Appendices F and G] on behalf of the members of the council.

☐ **III. After The First Business Meeting**

1. The grand knight sends written notice via regular mail notifying council members of the upcoming vote not less than 20 days prior to next business meeting.
 2. For a vote on a motion for disengagement and establishment as a parish-based council, the Meeting Notice Postcard for Disengagement [Appendix B] should be used. The grand knight should proceed to Step IV below for the second business meeting's procedure.
 3. For a vote on entering into the Terms of Use Agreement and Charitable Distribution Agreement, the Meeting Notice Postcard for Agreements [Appendix D] should be used. The grand knight should proceed directly to Step VI below for the second business meeting's procedure.
-

☐ **IV. Second Business Meeting for Disengagement**

1. At the second business meeting of a council that is moving to a parish, the grand knight announces a vote to adopt the written motion that grants the grand knight the express authority to sign the Disengagement Letter [Appendix C].
 2. Unless the council's by-laws establish a quorum, a majority of members of the Council is required as a quorum for the vote to be valid. The list of the members in attendance at the meeting should be stapled to the Minutes of Meeting for Disengagement.
 3. The district deputy is on hand to answer questions and attend the vote of the council.
 4. The council votes to adopt the written motion and imprints it with the council seal.
 5. Upon adoption, the council records these actions in the minutes book.
-

☐ **V. After The Second Business Meeting which Authorized the Motion for Disengagement**

1. After adopting a motion for disengagement [see Minutes of Meeting for Disengagement, Appendix C], the grand knight prints out the Disengagement Letter attached to the Minutes of Meeting for Disengagement [Appendix C, Attachment 1] and fills out the information required on the letter.
2. The grand knight signs the letter and has it delivered to the President of the Home Corporation, keeping a copy of the signed letter for the council's files.
3. If a Charitable Distribution Agreement (For Use Without Terms of Use Agreement) [Appendix H] is required, the grand knight follows the procedures set forth in Sections VII, VIII and IX below with respect to signing only the Charitable Distribution Agreement (For Use Without Terms of Use Agreement).
4. The council sends via email a copy of approved written motion, Disengagement Letter and, if entered into, Charitable Distribution Agreement (For Use Without Terms of Use Agreement) to: council.handbook@kofc.org. Be sure to put the council number as the first item in the email's subject line.

☐ **VI. Second Business Meeting for Entering into Agreements**

1. At the second business meeting of a council that will continue to use Home Corporation facilities, the grand knight announces a vote to adopt a motion [Appendix E] that grants him or the deputy grand knight the express authority to sign the agreements with the Home Corporation [Appendices F and G] on behalf of the members of the council and directs him to do so.
 2. Unless the council's by-laws establish a quorum, eight members of the council are required as a quorum for the vote to be valid. The list of the members in attendance at the meeting should be stapled to the Minutes of Meeting authorizing the grand knight or deputy grand knight to Sign the Terms of Use Agreement and Charitable Distribution Agreement.
 3. The district deputy is on hand to answer questions and attend the vote of the council.
 4. The council votes to adopt the written motion and imprints it with the council seal.
 5. Upon adoption, the council records these actions in the minutes book.
-

☐ **VII. After The Second Business Meeting which Authorized Signing of the Agreements**

1. After adopting the motion, the grand knight prints out two copies of the Agreements (one set for the council, another set for the Home Corporation) and fills out the information required on the signature pages of the Agreements.
-

☐ **VIII. Agreements Signing**

1. The grand knight and Home Corporation president meet in the presence of a Commissioner of Oaths where the grand knight and the president each review the Agreements to ensure that all of the information on the signature pages of each set of Agreements is correct.
 2. The grand knight and the president sign both sets of Agreements duly sworn before a Commissioner of Oaths to create one original set for the council and another original set for the Home Corporation.
-

☐ **IX. After Agreements Signing**

1. The district deputy reports to the state advocate and the state deputy that the council has successfully entered into the Agreements with the Home Corporation.
2. The council and Home Corporation each retain an original set of the Agreements and the council's approved written motion.
3. The council sends via email a copy of the Agreements, approved written motion, and the council's certificate of insurance to: council.handbook@kofc.org. Be sure to put the council number as the first item in the email's subject line.

Assessment Score Sheet

Councils should use this score sheet to help guide their assessment of the viability of a Home Corporation's facility as a meeting place for their council. The results of this assessment are essential to ensuring that a council makes an informed decision about whether to continue using a Home Corporation facility or to become a parish-based council. The presence of any of the following five factors may constitute sufficient cause for officers to recommend that their council seriously consider moving to a parish.

☐ **Member Focus on Maintenance of Home Corporation Facility**

1. Do members of your council spend a majority of their time and resources on the management of the Home Corporation's facilities? Does time taken up with addressing Home Corporation issues represent time lost to the council to carry out Knights of Columbus programs and activities promoting *Building the Domestic Church While Strengthening Our Parish*?
2. Does focus and attention on maintenance of Home Corporation facilities among members of the council detract from the council's ability to fulfill the fraternal and charitable mission of the Knights of Columbus?
3. Do you think that the management and maintenance issues relating to the Home Corporation are going to discourage new members from joining your council?

☐ **Financial Burdens on Members**

1. Are the Home Corporation's tax obligations, utility bills, liability insurance premiums, and other expenses causing it to run a deficit and/or go into debt? Is the Home Corporation carrying debt? If so, how much? Does it have a viable plan to get out of debt?
2. Does the council subsidize the Home Corporation by rental payments or other monetary transfers?
3. If the council pays rent to use the Home Corporation's facilities, does the amount exceed fair market rents of similar facilities in the area?
4. Does your council have the means to continue paying rent to the Home Corporation? Is this the best use of the council's resources?

☐ **Competition with Local Banquet Halls, Hotels, and Other Venues**

1. Is the Home Corporation struggling to find suitable rental business to pay its bills because of competitively priced modern banquet halls and hotel facilities?
 2. Is the Home Corporation facility in need of major repairs and renovations? Does the Home Corporation have the means to pay for such repairs and renovations?
 3. Do you think that the Home Corporation's facilities will be an attractive rental option relative to other newer professional banquet facilities in the local community?
-

☐ **Knights of Columbus Mission and Identity v. Local Reputation**

1. Is the reputation of the Knights of Columbus in your community defined more by third-party rentals of a Home Corporation's facilities than by the Order's fraternal and charitable programs?
 2. Are the Home Corporation's facilities used principally for third-party rentals or to host Knights of Columbus programs and activities that help Catholic men become better husbands and fathers, enhance Catholic family life, and build up the Church by strengthening the parish community?
 3. Is the reputation of the Home Corporation aligned with the Catholic mission and identity of the Knights of Columbus?
 4. Do you think that the Home Corporation facility is the best place to conduct the programs and activities associated with the *Building the Domestic Church While Strengthening Our Parish* initiative?
-

☐ **Cause of Conflict and Division**

1. Is the governance of the Home Corporation, including the management of its facilities, assets, and generation of revenue, a source of strife, factionalism, and conflict among members of the council?
2. If so, is the Order's principle of Unity broken as a result?
3. If so, is the council able to fulfill its fraternal and charitable mission and attract new members?
4. If so, will it impair the council's efforts to promote the *Building the Domestic Church While Strengthening Our Parish* initiative?

Appendix A

RESOLUTION NO. 340

SUBORDINATE UNIT OBLIGATION TO HAVE A TERMS OF USE AGREEMENT AND CHARITABLE DISTRIBUTION AGREEMENT IN PLACE WITH HOME CORPORATIONS

WHEREAS, Knights of Columbus is a Connecticut non-stock corporation (“Knights of Columbus”), which received its corporate charter from the General Assembly of the State of Connecticut in 1882, the year of its founding; and

WHEREAS, subordinate councils or other branches and divisions of Knights of Columbus (collectively “Subordinate Units”) hold charters conferred upon them by Knights of Columbus or are otherwise approved by the Board of Directors of Knights of Columbus; and

WHEREAS, independent corporations which are incorporated under state law (“Home Corporations”) often provide premises for Subordinate Units to hold council meetings and other functions; and

WHEREAS, the Supreme Council wishes to clarify the policy which helps Subordinate Units avoid problems with Home Corporations before they occur and which enable Subordinate Units to resolve disputes with Home Corporations without litigation, or acrimony.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the *Charter, Constitution and Laws of the Knights of Columbus*, including but not limited to, Section 4 of the *Charter of the Knights of Columbus* and Section 2 of the *Constitution of the Knights of Columbus*, the Supreme Council is hereby adopting a policy that Subordinate Units using premises of Home Corporations for meetings and other functions must have a signed terms of use agreement (“Terms of Use Agreement”) and a charitable distribution agreement (“Charitable Distribution Agreement”) in place with the Home Corporations; and

FURTHER RESOLVED, that the model Terms of Use Agreement and the model Charitable Distribution Agreement (collectively the “Model Agreements”) as approved by the Board of Directors at its January 2014 meeting, and distributed to State Deputies at the June, 2014 Organizational Meeting of State Deputies, in New Haven, Connecticut, and distributed to State Advocates at their June 2014 meeting, in Dallas, Texas, and as published on the Officer’s Desk Reference, which may from time to time be amended by the Board of Directors, are the model agreements authorized by the Supreme Council for Subordinate Units to sign with Home Corporations; and

FURTHER RESOLVED, that the model Terms of Use Agreement and model Charitable Distribution Agreement are to be made available to Subordinate Units; and

FURTHER RESOLVED, that unless there exists a compelling reason to the contrary, it is the policy of the Supreme Council that all Subordinate Units which use Home Corporation facilities shall implement the Model Agreements and the Model Agreements shall supersede any prior agreements or understandings; and

FURTHER RESOLVED, for the purposes of this Resolution only, that in the absence of Subordinate Unit by-laws establishing a quorum for Subordinate Unit meetings, eight (8) voting members shall be the quorum necessary for a meeting at which the Subordinate Unit and its

members shall authorize an agent to enter into the Terms of Use Agreement and Charitable Distribution Agreement, provided, however, that notwithstanding whether the Subordinate Unit's by-laws state otherwise, in the event there are fewer than fifteen (15) voting members in the Subordinate Unit, then a simple majority of voting members will be sufficient to constitute a quorum for such purpose; and

FURTHER RESOLVED, that in accordance with Section 32.4 of the *Laws of the Knights of Columbus*, the Supreme Advocate's office is assigned the duty of providing counsel and advice to Subordinate Units regarding the Supreme Council's policy that Subordinate Units using Home Corporation premises have in place Terms of Use Agreements and Charitable Distribution Agreements; and

FURTHER RESOLVED, that for specific contract review and negotiations with a Home Corporation with respect to the Model Agreements, it is recommended that each Subordinate Unit retain its own attorney, as necessary; and

FURTHER RESOLVED, that in accordance with Section 4 of the *Charter of the Knights of Columbus*, and Section 2 of the *Constitution of the Knights of Columbus*, and subject to enforcement, including without limitation, under Section 157.1 of the *Laws of the Knights of Columbus*, Subordinate Units shall be governed by this Resolution as a rule of the Order.

On recommendation of the Resolutions Committee, I move **Adoption** of Resolution 340.

Recommendation approved by the Supreme Council, August 2014.

Appendix B

Meeting Notice Postcard for Disengagement

Upcoming Meeting Notice
Knights of Columbus Council [1234]
[MM/DD/YY] at [Time]

At its next business meeting on [date] at [time],
Council [#####] will hold a vote to adopt a written
motion that authorizes its grand knight/deputy grand
knight to give written notice to [Legal Name of Home
Corporation] that Council [#####] will establish itself as
a parish-based council and disengagement from the
relationship with [Legal Name of Home Corporation].
Your attendance at this meeting is strongly encouraged.

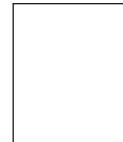
Phone: 555.555.1234
Email address
Council Web site address



Back

[Council Name]

Street Address
Address 2
City, Province, Postal Code



Recipient Name
Street Address
Address 2
City, Province, Postal Code

Front

Appendix C

Minutes of Meeting For Disengagement

KNIGHTS OF COLUMBUS COUNCIL NO. _____
MOTION FOR DISENGAGEMENT FROM _____, INC.

Minutes of a meeting held at _____ on [DD/MM/2016] at [insert time] pm

Present: Those present at the meeting, all of whom are included on the attached list [attach list of attendees] being a total of _____ members out of a total of _____ eligible members, and therefore being a quorum of Knights of Columbus Council No. _____ ("Council").

ON THE MOTION DULY MADE, SECONDED AND APPROVED, IT WAS RESOLVED THAT a majority of the members present at Council's regular business meeting authorize Council and the Grand Knight to give written notice to _____, Inc. ("Corporation") that the Council (i) will henceforth establish itself as a parish-based Council, (ii) will no longer meet at the physical facilities owned by the Corporation, (iii) will no longer have any interest in the Corporation, economic or otherwise, which it has or ever had, (iv) hereby forever severs, renounces and relinquishes all ties with the Corporation, (v) notwithstanding any other provision to the contrary, no member or officer of the Council will continue as or become a member, officer or director of the Corporation unless such member or officer voluntarily elects to do so in writing to the Corporation after the date of the Disengagement Letter and (vi) that the Grand Knight [or Deputy Grand Knight] is authorized to sign the attached Charitable Distribution Agreement (without the Terms of Use Agreement). The Grand Knight is hereby authorized on behalf of the Council and its members to act as an agent of the Council in giving such notice to _____, Inc., and to sign the Disengagement Letter attached to these Minutes of Meeting and the Charitable Distribution Agreement on behalf of the Council and its members.

Grand Knight

Date

Attest

Council Seal

Disengagement Letter to Corporation

[Letterhead of Knights of Columbus Council No. ____]

Via FedEx

_____, 2016

Mr. _____
President

_____, Inc.
[Address]

[City, Province, Postal Code]

Re: Disengagement from Relationship with _____, Inc. ("Corporation")

Dear Mr. _____:

I am the Grand Knight of Knights of Columbus Council No. ____ ("Council"). I am writing to inform you of the following which has been approved by the members of the Council.

The Council (i) will henceforth establish itself as a parish-based Council, (ii) will no longer meet at the physical facilities of the Corporation, (iii) will no longer have any interest in the Corporation, economic or otherwise, which it has or ever had, (iv) is forever severing, renouncing and relinquishing all ties with the Corporation, and (v) notwithstanding any other provision to the contrary, no member or officer of the Council will continue as or become a member, officer or director of the Corporation unless such member or officer voluntarily elects to do so in writing to the Corporation after the date of this letter.

We also bring to your attention that the Knights of Columbus name is a Federally registered trademark owned by Knights of Columbus. As such, the Knights of Columbus name should be removed from the building, the website and from any reference in the corporate name.

We strongly suggest that you consult with your accountant and lawyer with respect to the effects of the severing of this relationship.

Very truly yours,

Knights of Columbus Council No. ____

By: _____
Grand Knight

Appendix D

Meeting Notice Postcard for Agreements

Upcoming Meeting Notice
Knights of Columbus Council [1234]
[MM/DD/YY] at [Time]

At its next business meeting on [date] at [time],
Council [#####] will hold a vote to adopt a written
motion that authorizes its grand knight/deputy
grand knight to enter into a Terms of Use
Agreement and Charitable Distribution Agreement
with [Legal Name of Home Corporation]. Your
attendance at this meeting is strongly encouraged.

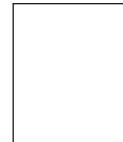
Phone: 555.555.1234
Email address
Council Web site address



Back

[Council Name]

Street Address
Address 2
City, Province, Postal Code



Recipient Name
Street Address
Address 2
City, Province, Postal Code

Front

Minutes of Meeting Providing Authorization

*Minutes of Meeting held at [location]
on [mm/dd/yyyy] at [insert time] pm*

Present: Those present at the meeting, all of whom are included on the attached list [attach list of attendees] being a quorum of Knights of Columbus [council name and #].

ON MOTION DULY MADE, SECONDED AND APPROVED, IT WAS RESOLVED THAT a majority of the members present at the council's regular business meeting authorize the Grand Knight [or Deputy Grand Knight] of Knights of Columbus [council name and #] to sign the attached Terms of Use Agreement and Charitable Distribution Agreement on behalf of the Knights of Columbus [council name and #] and its members.

Grand Knight [or Deputy
Grand Knight]

Financial Secretary

Council Seal

Appendix F

TERMS OF USE AGREEMENT FOR HOME CORPORATION FACILITIES BY KNIGHTS OF COLUMBUS SUBORDINATE UNIT

(Canada – Quebec)

This TERMS OF USE AGREEMENT FOR HOME CORPORATION FACILITIES BY KNIGHTS OF COLUMBUS SUBORDINATE UNIT ("Agreement") is made as of the _____ day of _____, 20____ by and between:

SUBORDINATE UNIT (including, but not limited to, subordinate councils, assemblies, circles, chapters, etc.):

Knights of Columbus Council/Assembly/Circle/Chapter

Name _____ No. _____

an unincorporated association holding a charter from Knights of Columbus or otherwise approved by the Board of Directors of Knights of Columbus.

Address: _____

Address: _____

Federal Tax Charity Registration Number or Business Number (if any): _____

("Subordinate Unit")

and

CORPORATION:

Name: _____

Address: _____

Address: _____

A corporation organized under the laws of the Province of _____

Federal Tax Charity Registration Number or Business Number (if any): _____

("Corporation")

CORPORATION PREMISES:

Address: _____

Address: _____

("Premises")

ANNUAL FEE:

Annual Fee: \$ _____



TERM DATE:

Commencement Date: _____, 20____

This Agreement is subject to the Terms and Conditions attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the date first above written.

SUBORDINATE UNIT

**Knights of Columbus
Council/Assembly/Circle/Chapter**

Name: _____

No. # _____



By: _____

Name: _____

Title: _____

PROVINCE OF _____

CITY OF _____

On the _____ day of _____
in the year _____
before me personally
came _____ to
me known, who, being by me duly
sworn, did depose and say that he
resides in _____

that he is the _____
_____ of the
_____ (name of
subordinate unit), the subordinate unit
described in and which executed the above
instrument; and that he signed his name
thereto by authority of said subordinate unit
identified above.

Commissioner of Oaths

CORPORATION

Name: _____



By: _____

Name: _____

Title: _____

PROVINCE OF _____

CITY OF _____

On the _____ day of _____
in the year _____
before me personally
came _____ to
me known, who, being by me duly
sworn, did depose and say that he
resides in _____

that he is the _____
_____ of the
_____ (name of
corporation), the corporation described in and
which executed the above instrument; and that
he signed his name thereto by authority of the
board of directors of said corporation.

Commissioner of Oaths



Initials _____

Initials _____

TERMS AND CONDITIONS

In consideration of the mutual covenants set forth herein, and for other good and valuable consideration, including without limitation the Charitable Distribution Agreement being executed simultaneously herewith by and between the parties hereto, the receipt and sufficiency of which are acknowledged, Subordinate Unit and Corporation each hereby agree as follows:

1. DEFINITIONS AND OBJECTIVE.

1.1 Subordinate Unit. Subordinate Unit is an unincorporated association holding a charter from Knights of Columbus (as hereinafter defined) or is otherwise approved by the Board of Directors of Knights of Columbus (as hereinafter defined).

1.2 Corporation. Corporation is a corporation incorporated under laws of the province in which Corporation is domiciled. Corporation is a legal entity separate and distinct from Subordinate Unit and Knights of Columbus (as hereinafter defined).

1.3 Knights of Columbus. Knights of Columbus is a Connecticut non-stock corporation ("Knights of Columbus"), which received its corporate charter from the General Assembly of the State of Connecticut in 1882, the year of its founding. The Supreme Office of Knights of Columbus is located in New Haven, Connecticut. Knights of Columbus is not a party to this Agreement.

1.4 Objective. Subordinate Unit and Corporation are entering into this Agreement to clarify the relationship between Subordinate Unit and Corporation in order to promote the fraternal and charitable mission of Subordinate Unit.

1.5 Annual Fee. The Annual Fee is an amount between Subordinate Unit and Corporation of not less than \$10 per year.

2. PREMISES.

2.1 Premises and Space. In consideration of Subordinate Unit's agreement to pay Annual Fee and subject to the covenants and conditions hereinafter set forth, Corporation shall provide to Subordinate Unit designated space ("Space") in the Premises for Subordinate Unit's regular meetings and other functions, at times and locations within the Premises mutually agreed upon by the parties. Corporation shall give first priority to Subordinate Unit and shall use its best efforts to make Space available to Subordinate Unit on the dates and times requested by Subordinate Unit.

2.2 "As-Is" Condition. Subordinate Unit shall accept Space from and after the Commencement Date in its then "as-is" condition without (i) any obligation on Corporation's part to undertake, or pay for, any improvements or alterations therein in connection with this Agreement or otherwise, or (ii) any representations or warranties regarding the condition thereof.



3. **TERM, COMMENCEMENT OF TERM, AND RENEWAL.**

3.1 **Term.** The term of this Agreement (the “Term”) shall commence on the Commencement Date and shall continue in effect for a period of five (5) years (the “Initial Term”), unless earlier terminated in accordance with the terms hereof.

3.2 **Renewal.** This Agreement shall automatically renew for an additional three (3) terms of five (5) years each (a “Renewal Term”), unless Subordinate Unit terminates Agreement at the end of the Initial Term or any subsequent Renewal Term by giving written notice that it will not be renewing this Agreement pursuant to Section 19.3. Notice of non-renewal shall be received by Corporation ten (10) days prior to expiration of the Initial Term or any subsequent Renewal Term and Corporation acknowledges that such notice is adequate consideration for Subordinate Unit’s right to terminate this Agreement.

4. **ANNUAL FEE.**

Beginning on the Commencement Date, Subordinate Unit covenants and agrees to pay to Corporation the Annual Fee in twelve equal monthly installments due in advance on the first day of each month plus applicable taxes thereon.

5. **UTILITIES AND SERVICES.**

Corporation shall furnish at Corporation’s expense all electricity, hot and cold water, lavatory supplies, heat and air-conditioning during the appropriate seasons of the year as reasonably required, trash removal, and maintenance services.

6. **USE OF SPACE.**

6.1 **Use of Space.** Subordinate Unit shall be entitled to use Space for all lawful purposes including without limitation conducting Subordinate Unit meetings and conducting Knights of Columbus related activities such as charitable and fraternal programs and functions.

6.2 **Sale or Service of Alcoholic Beverages.** The sale or service of alcoholic beverages of any kind shall not take place during any meeting or degree work of Subordinate Unit. Similarly, the sale or service of alcoholic beverages of any kind shall not take place during any fraternal or charitable program of Subordinate Unit unless food is served.



7. **CORPORATION INDEMNIFICATION.**

Corporation shall indemnify, defend and hold harmless Subordinate Unit, Knights of Columbus, state councils, local councils, assemblies, circles, chapters, and their respective members, officers, employees, agents, and directors (collectively "Indemnitees") from any and all liabilities, losses, expenses, costs and damages (including reasonable attorneys' fees) arising out of all third-party lawsuits, claims of injury to persons or damage to property in connection with activities occurring on Premises or any injuries to persons or damage to property, not caused by Subordinate Unit. In addition, Corporation shall indemnify, defend and hold harmless Indemnitees from any and all claims which may arise from, on, in or about the Premises when such claims arise out of or are caused in whole or in part by a defective, dangerous, or unsafe condition of the Premises, equipment, fixtures, or appurtenances required by law to be maintained in good repair by Corporation.

8. **SUBORDINATE UNIT INSURANCE.**

Subordinate Unit shall maintain insurance with **minimum** coverages as set forth below, shall name (i) Corporation and (ii) Knights of Columbus, state councils, local councils, assemblies, circles, chapters, and their respective members, officers, employees, agents and directors as additional insureds, and shall submit proof of insurance coverage upon Corporation's request:

- ☐ Commercial General Liability
 - Bodily Injury and Property Damage
 - Host Liquor Liability coverage for providing alcoholic beverages at Subordinate Unit functions, provided alcoholic beverages are not "sold" subject to the policy's per occurrence and aggregate limits
 - \$1,000,000 per occurrence
 - \$2,000,000 aggregate
- ☐ Endorsement for Hired and Non-owned Automobile Liability
 - \$1,000,000 limit
 - \$2,000,000 aggregate

Notwithstanding the foregoing, if the Subordinate Unit currently has an insurance policy in effect, such insurance policy shall be deemed sufficient to satisfy the insurance requirements in this paragraph. Subordinate Unit shall provide a copy of the certificate of insurance of such insurance policy to Corporation.



9. **CORPORATION INSURANCE.**

Corporation shall maintain insurance with **minimum** coverages as set forth below, shall name (i) Subordinate Unit and (ii) Knights of Columbus, state councils, local councils, assemblies, circles, chapters, and their respective members, officers, employees, agents and directors as additional insureds, and shall submit proof of insurance coverage upon Subordinate Unit request:

- ☐ Commercial General Liability
 - Bodily Injury and Property Damage
 - \$1,000,000 per occurrence
 - \$2,000,000 aggregate
- ☐ Endorsement for Dram Shop Liability
 - \$250,000 per person
 - \$500,000 per accident
- ☐ Endorsement for Hired and Non-owned Automobile Liability
 - \$1,000,000 limit
 - \$2,000,000 aggregate
- ☐ Worker's Compensation – statutory coverage in accordance with worker's compensation laws of the province in which Premises is located for employees of Corporation working on Premises

10. **TRADEMARKS AND SERVICE MARKS.**

10.1 **Exclusive Owner.** Corporation acknowledges that Knights of Columbus is the exclusive owner of the registered and unregistered trademarks and service marks of Knights of Columbus, including, without limitation, the name and mark "KNIGHTS OF COLUMBUS," "K of C," the "K of C DESIGN EMBLEM", "CHEVALIERS DE COLOMB", "C de C" and "C de C Design Emblem" (collectively "Marks"). Corporation shall not use, and hereby acknowledges that it has no right to use, the Marks in any manner whatsoever, including without limitation, in its corporate or entity name, signage, or in connection with the promotion of any product or service, on its website, on any social media platform, or with respect to any third-party activities, including, but not limited to, third-party rentals of Corporation's facilities.

10.2 **Prohibited Use in Corporate Name.** If the Marks, including, but not limited to, "Knights of Columbus", "K of C", "Chevaliers de Colomb" or "C de C" are currently used in Corporation's legal corporate name, then within 90 days of the Commencement Date of this Agreement, Corporation shall have completed all steps to change its legal corporate name so that any Marks are removed from the legal corporate name. Corporation shall provide Subordinate Unit with written confirmation of the legal corporate name change. Corporation acknowledges and agrees that Knights of Columbus is intended to be a third-party beneficiary of Paragraphs 7 (Corporation Indemnification), 9 (Corporation Insurance), 10.1 (Exclusive Owner) and 10.2 (Prohibited use in Corporate Name) of this Agreement, and that Knights of Columbus shall have the right to enforce the obligations of Paragraphs 7, 9, 10.1 and 10.2 directly against Corporation.



10.3 Signage on Premises. Corporation agrees to affix signage in a visibly conspicuous location on its Premises identifying the legal owner of its Premises.

10.4 Rental Agreement Addendum. In any written rental agreement between Corporation and a third-party renter of the Premises, Corporation shall include a clause in such rental agreement prohibiting the third-party renter from using any Marks, including, but not limited to, "Knights of Columbus," in promoting the event of the third-party renter on the Premises. The clause in the rental agreement between Corporation and the third-party renter shall further provide that the third-party renter's prohibited use of the Marks shall result in the immediate cancellation of the rental agreement with the third-party renter. Corporation shall attach as an Addendum to the written rental agreement the paragraphs attached hereto as **Schedule 1**.

10.5 Violation of Section 10 (Trademarks and Service Marks). If Subordinate Unit determines, in its sole discretion, that Corporation is in violation of Section 10 (Trademarks and Service Marks), then upon Subordinate Unit notice to Corporation, Corporation shall cease the non-conforming use.

11. **SIGNAGE.**

Subordinate Unit shall be permitted, during the Initial Term and any Renewal Term, to place the Marks on the outside and inside of the Premises in accordance with Guidelines for Display of Marks by Subordinate Units (attached as **Schedule 2**) established by Knights of Columbus. Notwithstanding the foregoing, Section 10 (Trademarks and Service Marks) in its entirety shall apply to Corporation with respect to any and all use of the Marks.

12. **MAINTENANCE OF PREMISES.**

Notwithstanding Section 2.2, Corporation shall keep the Premises safe, clean, and in good repair.

13. **LICENCES.**

Corporation is solely responsible to maintain all required licences, including, but not limited to, liquor licences. Subordinate Unit shall not maintain a liquor licence.

14. **RECRUITMENT.**

Corporation shall not hinder or impede Knights of Columbus or Subordinate Unit from recruiting new members.

15. **PROMOTION OF FINANCIAL PRODUCTS.**

Corporation shall not permit the Premises to be used to promote the sale of any financial products and services other than the financial products and services offered by Knights of Columbus.



16. TERMINATION.

16.1 Termination for Material Breach Under Applicable Law. If a party commits a material breach ("Material Breach") of this Agreement (the "Breaching Party"), the other party (the "Non-Breaching Party") shall give the Breaching Party written notice of the alleged breach, and the Breaching Party shall have 30 days following receipt of such notice to cure the breach to the reasonable satisfaction of the Non-Breaching Party. With respect to a claim for non-payment of Monthly Fees, Subordinate Unit shall have an additional 60 days to cure. If the breach is not so cured within the applicable time period, the Non-Breaching Party shall have the right to terminate this Agreement. Material Breach by Corporation includes, without limitation, (i) use by Corporation of the Marks in violation of Section 10.1 (Exclusive Owner) or Section 10.2 (Prohibited Use in Corporate Name) of this Agreement; (ii) reputational harm to Subordinate Unit or Knights of Columbus caused by Corporation's failure to enforce the obligations of Section 10.4 (Rental Agreement Addendum); or (iii) other reputational harm to Subordinate Unit or Knights of Columbus.

16.2 Termination by Subordinate Unit. Subordinate Unit, at its sole option and discretion, may terminate this Agreement at any time upon 60 days prior notice to the Corporation.

16.3 Effect of Termination. Upon any termination or expiration of this Agreement (other than for termination based upon Corporation's Material Breach), any and all amounts due from Subordinate Unit up to the date on which this Agreement terminates, but not yet paid, shall become immediately due and payable. Termination, for any reason, or expiration of this Agreement shall not preclude either party from pursuing any rights or remedies it may have hereunder or by law with respect to any breach of this Agreement.

16.4 Legacy Payments Upon Termination. In recognition of the legacy of Subordinate Unit members who were the original incorporators of Corporation as well as all subsequent generations of Subordinate Unit members, many of whom invested personal financial resources and sweat equity into maintaining and improving Corporation facilities and property, and in recognition of the reservoir of goodwill associated with Corporation facilities built up among generations of members and their families in local parishes and within the local community, Corporation shall for 10 years following termination or expiration of this Agreement, pay to Subordinate Unit annually within 30 days of the end of each year of the 10 year period a minimum of 5% of Corporation's gross revenues, if any, received during such year ("Legacy Payments"). Corporation acknowledges and agrees that ten dollars (\$10.00) of the Annual Fee, the receipt and adequacy of which are hereby acknowledged by Corporation, is paid as special consideration to Corporation for Legacy Payments. Corporation shall provide to Subordinate Unit an accounting of the way in which the Legacy Payment was calculated for each year. Subordinate Unit shall be entitled to audit the records of Corporation with regard to the computation of the Legacy Payment annually. Corporation shall cooperate with this audit. For greater certainty, any obligation to make Legacy Payments ends on the dissolution of the Corporation.



17. **TRUSTEE.**

In the event that for any reason Subordinate Unit has been suspended, dissolved or otherwise no longer exists, state council of Knights of Columbus ("State Council") in whose jurisdiction Subordinate Unit is located may at its sole discretion benefit from and enforce the rights initially provided to Subordinate Unit under this Agreement with respect to Sections 16.4 (Legacy Payments upon Termination) and 19.4 (Survival), in which case the Legacy Payments shall be paid to the State Council, in trust, which shall distribute it forthwith to a bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church. Corporation acknowledges and agrees that State Council is intended to be a third-party beneficiary under this Section 17, and that State Council shall have the right to enforce the obligations of this Section directly against Corporation.

18. **DISPUTE RESOLUTION.**

18.1 Purpose. The purpose of this section is to prescribe the sole means to present and resolve complaints or disputes between Subordinate Unit and Corporation. Procedures set forth in this section are meant to provide prompt, fair and efficient, opportunities for dispute resolution. This section applies to all claims, actions, disputes and grievances of any kind or nature whatsoever between Subordinate Unit and Corporation. It includes, but is not limited to, claims based on breach of contract, as well as claims based on fraud, misrepresentation, tort or violation of statute.

18.2 Full Force and Effect. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this section, this section shall remain in full force and effect as to any remaining parties or claims involved in such dispute. In the event that Subordinate Unit no longer exists, and there is a dispute under this Agreement, State Council shall have the right to enter into dispute resolution with Corporation pursuant to Section 18.

18.3 Exclusive Steps. No lawsuit or any other actions may be brought for any claims or disputes covered by this section, except as stated in this Section 18. The following are the sole and exclusive steps and procedures for presenting and resolving claims or disputes:

Step 1. State Deputy. The dispute shall initially be presented for resolution to the State Deputy of the jurisdiction in which Subordinate Unit is located.

Step 2. Mediation. If Step 1 does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accordance with the mediation rules of the American Arbitration Association under its Commercial Mediation Rules (unless another neutral organization is agreed upon by the parties).



Step 3. Arbitration. If Step 2 does not result in a mutually satisfactory resolution, the matter will be resolved by binding arbitration, before a single arbitrator, administered by and in accordance with the rules as prescribed by the American Arbitration Association under its Commercial Arbitration Rules (unless another neutral organization is mutually agreed upon). The decision of the arbitrator shall be made in writing and shall be final and binding, subject only to the right to appeal such decision as provided in the American Arbitration Association Appellate Arbitration Rules and applicable law. Judgment on the arbitration award may be entered in any court having jurisdiction. The exclusive venue for arbitration shall be the city in which Subordinate Unit is located. The proceedings shall be stenographically recorded and may be recorded by video or digital image if the parties mutually agree thereto. Every reasonable effort shall be made to complete Step 1 within 60 days of the date the notice of dispute is received by all parties; Step 2 within an additional 90 days; and Step 3 within an additional 120 days.

18.4 Administrative Costs. The administrative costs of the mediation and/or arbitration (including fees and expenses of mediators or arbitrators, and reasonable and necessary stenographic or other recording fees) shall be paid equally by the parties. Each party shall bear its own legal fees, expert fees, and discovery costs, unless otherwise awarded by the arbitrator.

18.5 Damages. Except as expressly limited in this paragraph, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal or provincial law, including legal fees and expenses if such legal fees and expenses are deemed appropriate under applicable law. In the event that any arbitrator or court of competent jurisdiction deems any portion of this section to be unenforceable or otherwise void under applicable law, the remaining portions of this section shall remain in full force and effect.

19. **MISCELLANEOUS.**

19.1 Separate And Distinct Entities. Subordinate Unit, Corporation and Knights of Columbus are each separate and distinct entities. Corporation recognizes and acknowledges that (a) Knights of Columbus is a separate and distinct entity from Subordinate Unit, (b) Subordinate Unit is signing this Agreement only on its own behalf, as authorized by its members and (c) Knights of Columbus (i) is not a party to this Agreement and (ii) is not responsible for any of Subordinate Unit's obligations hereunder or any other liabilities arising from Subordinate Unit's use of Premises.

19.2 Compliance With Laws. Parties will at all times comply with all federal, provincial and local laws, statutes, ordinances, and regulations.



19.3 Notices. All notices shall be in writing and delivered by registered mail, by hand or by a reputable overnight carrier to the address of Subordinate Unit or Corporation set forth above.

19.4 Survival. Upon termination, for any reason, or expiration of this Agreement, the rights and obligations of the parties will immediately cease except that Sections 7 (Corporation Indemnification), 10 (Trademarks and Service Marks), 16.4 (Legacy Payments Upon Termination), and 18 (Dispute Resolution) shall survive expiration or termination of this Agreement.

19.5 Representations and Warranties – Corporation. Corporation warrants and represents that: (a) it is duly formed and in good standing in the province of its formation; (b) it has full power and authority to enter into this Agreement; and (c) this Agreement is being signed by an authorized representative of Corporation.

19.6 Representations and Warranties – Subordinate Unit. Subordinate Unit warrants and represents that: (a) the members of the Subordinate Unit have authorized the Subordinate Unit to enter into this Agreement; and (b) this Agreement is being signed by an authorized representative of Subordinate Unit.

19.7 Severability. If any part of this Agreement is contrary to, prohibited by or deemed invalid under applicable law or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder of this Agreement shall not be invalid and shall be given full force and effect so far as possible.

19.8 Entire Agreement. This Agreement (which includes all exhibits, attachments, schedules and other documents which have been incorporated by reference) constitutes the entire agreement and understanding, and supersedes any previous agreements, between the parties hereto with respect to the subject matter hereof and its terms may not be changed or amended except by an instrument in writing agreed to by the parties.



Schedule 1

ADDENDUM TO EVENT RENTAL AGREEMENT

Renter: _____

Event Rental Date: _____

Facility Address: _____

Purpose/Description of Event: _____

KNIGHTS OF COLUMBUS TRADEMARKS AND SERVICE MARKS.

Renter may only identify the location of the event by using the address of the Facility as set forth above. **Renter shall not use or display registered and unregistered trademarks, service marks, and subordinate unit memorabilia of Knights of Columbus,** including, without limitation, its name, logos, and emblems (collectively “Marks”), in any way, including, but not limited to, in the promotion of the Renter’s event or on any website and/or on social media.

MISREPRESENTATION. Renter attests, represents and warrants that it has, at all times, honestly and accurately described its intended purpose and use of Corporation’s Facility for the event to a duly authorized representative of Corporation and as set out above. If Renter engages in any dishonesty, misrepresentation, deception, or misleading conduct in connection with its rental of Corporation’s Facility, or fails to comply with any of the terms herein, **Corporation may terminate this Agreement at any time without prior notice and retain Renter’s security deposit.** The rights, powers and remedies of Corporation are in addition to, and not in substitution of, that which may be available to Corporation. Failure by Corporation to exercise any of its rights, powers and remedies hereunder, or its delay to do so, does not constitute a waiver.

For the purposes of the Rental Agreement and this Addendum, “Renter” includes the undersigned Renter as well as its employees, agents, invitees or any other person who may be at Corporation’s Facility for the purposes of the Event. If there is any inconsistency between the provisions of this Addendum and the Rental Agreement, the terms in this Addendum will govern.

CORPORATION:

Name of Corporation



By: _____
Signature

Name: _____
Printed

Title: _____

Date: _____

RENTER:

Name of Renter



By: _____
Signature

Name: _____
Printed

Title: _____

Date: _____

Schedule 2

Guidelines for Display of Trademarks, Service Marks, and Council Memorabilia by Subordinate Units

Subordinate Units using facilities owned and operated by Corporations are permitted to display the registered and unregistered trademarks and service marks of Knights of Columbus, including, without limitation, the name and mark KNIGHTS OF COLUMBUS,” “K of C”, the “K of C DESIGN EMBLEM”, “CHEVALIERS DE COLOMB”, “C de C” and the “C de C Design Emblem” (collectively “Marks”) outside and inside of such facilities in accordance with the following guidelines:

DISPLAY MUST INCLUDE NAME, NUMBER, GEOGRAPHIC LOCATION, AND MEETING TIMES.

Every instance of the display of the Marks of Knights of Columbus must also display the following:

The Subordinate Unit’s **name**;

The Subordinate Unit’s **number**; and

The **geographical location** of the Subordinate Unit.

The day(s) of the month on which the Subordinate Unit holds its regular meetings.

EXAMPLES:

*Knights of Columbus
Father Michael J. McGivney Council #12345
Montreal, Quebec
Meets On First and Third Thursdays*

*Christopher Columbus Assembly #1234
Saint-Hyacinthe, Quebec
Meets On Third Thursdays*

CORPORATION’S SIGNAGE MUST STATE NAME OF LEGAL OWNER OF PREMISES.

Signage displayed in a visibly conspicuous location and in close proximity to each instance of the Order’s emblem shall identify the legal owner of the Corporation facilities being used by the Subordinate Unit. The Corporation’s signage should be **significantly** more conspicuous than the council’s signage to prevent the incorrect impression that the Corporation, along with its property and business, belong to Knights of Columbus.

Additionally, if the Corporation operates a bar and holds a liquor license, the Corporation must display such signage in close proximity to the display of the Corporation’s liquor license to clarify that the Corporation maintains the liquor license, not the Subordinate Unit.

EXAMPLE: *Premises Owned And Operated By ABC Club, Inc.*

CORPORATIONS ARE PROHIBITED FROM USING KNIGHTS OF COLUMBUS MARKS TO PROMOTE RENTALS OF CORPORATION’S FACILITIES.

Corporations are not authorized to use the Marks of Knights of Columbus. If a Corporation rents out its facilities, the Corporation should develop its own *original* brand name and logo to market and conduct its commercial business rentals that do not in any way use the Marks of Knights of Columbus. Corporations should avoid branding or marketing their facilities and business in a manner that would confuse or mislead the public into thinking that the local Knights of Columbus council owns the Corporation’s property or its

rental business. Many corporations have chosen names and marketing themes for their corporate name and business name that make sense in the context of the local community (e.g., local landmarks, local geographical features, Catholic historical figures, Catholic Saints, local history, street address/location, etc.). Many other corporations have gone a step further and developed their own brand in connection with their facility rental business. To avoid confusion, Corporations should not use names such as “KC Hall,” “Knights Hall,” and other similar terms.

EXAMPLE:

XYZ Hall Rental Enterprises
123 Rue Principale,
Montreal, Quebec

GUIDELINES FOR DISPLAYING SUBORDINATE UNIT MEMORABILIA.

A subordinate unit is permitted to display council/assembly memorabilia on the walls of the Corporation facility it uses. Memorabilia may include pictures of Catholic clergy and Supreme Officers, along with pictures and plaques that have a significant historical significance to that council. If the Corporation decides to rent out its facilities to an outside group, organization, or individual person, the Subordinate Unit should make sure that the memorabilia is covered or removed during the event in order to prevent confusion or to suggest that Knights of Columbus endorses the renter’s event.



Appendix G

CHARITABLE DISTRIBUTION AGREEMENT

(Canada – Quebec)

This **CHARITABLE DISTRIBUTION AGREEMENT** ("Charitable Agreement") incorporating the Terms and Conditions attached hereto, is made as of the ____ day of _____, 20____ by and between:

SUBORDINATE UNIT (including, but not limited to, subordinate councils, assemblies, circles, chapters, etc.):

Knights of Columbus Council/Assembly/Circle/Chapter:

Name: _____ No. _____

an unincorporated association holding a charter from Knights of Columbus or otherwise approved by the Board of Directors of Knights of Columbus.

Address: _____

Address: _____

Federal Tax Charity Registration Number or Business Number (if any): _____

("Subordinate Unit")

and

CORPORATION:

Name: _____

Address: _____

Address: _____

A corporation organized under the laws of the Province of _____

Federal Tax Charity Registration Number or Business Number (if any): _____

("Corporation")

This Charitable Agreement is subject to the Terms and Conditions attached hereto.



IN WITNESS WHEREOF, this Charitable Agreement is hereby executed as of the date first above written.

SUBORDINATE UNIT

**Knights of Columbus
Council/Assembly/Circle/Chapter**

Subordinate Unit Name: _____

No. _____



By: _____

Name: _____

Title: _____

PROVINCE OF _____

CITY OF _____

On the _____ day of _____ in the year _____ before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he resides in _____

that he is the _____ of the _____ (name of subordinate unit), the subordinate unit described in and which executed the above instrument; and that he signed his name thereto by authority of the said subordinate unit identified above.

Commissioner of Oaths

CORPORATION

Corporation Name: _____



By: _____

Name: _____

Title: _____

PROVINCE OF _____

CITY OF _____

On the _____ day of _____ in the year _____ before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he resides in _____

that he is the _____ of the _____ (name of corporation), the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

Commissioner of Oaths



TERMS AND CONDITIONS

In consideration (i) of the mutual covenants set forth herein, (ii) of payment of \$10.00 by the Subordinate Unit to the Corporation and (iii) for other good and valuable consideration, the receipt and sufficiency of which Subordinate Unit and Corporation hereby acknowledge, Subordinate Unit and Corporation each hereby agree as follows:

1. DEFINITIONS AND OBJECTIVE.

1.1 **Subordinate Unit.** Subordinate Unit is an unincorporated association holding a charter from Knights of Columbus (as hereinafter defined) or is otherwise approved by the Board of Directors of Knights of Columbus (as hereinafter defined) and consists of its members.

1.2 **Corporation.** Corporation is a corporation incorporated under laws of the province in which Corporation is domiciled. Corporation is a legal entity separate and distinct from Subordinate Unit and Knights of Columbus (as hereinafter defined).

1.3 **Knights of Columbus.** Knights of Columbus is a Connecticut non-stock corporation ("Knights of Columbus"), which received its corporate charter from the General Assembly of the State of Connecticut in 1882, the year of its founding. The Supreme Office of Knights of Columbus is located in New Haven, Connecticut. Knights of Columbus is not a party to this Agreement.

1.4 **Objective.** Subordinate Unit and Corporation are entering into this Charitable Agreement to clarify the relationship between Subordinate Unit and Corporation in order to promote the fraternal and charitable mission of Subordinate Unit.

2. PROCEEDS OF SALE.

2.1 **Real Property.** In furtherance of Section 1.4 above, Corporation agrees that, (i) upon Corporation's sale or other disposition of its real property, if Corporation does not purchase another real property within three (3) years of such sale or other disposition, or (ii) in the event Corporation's real property has been sold prior to the date of this Charitable Agreement and the Corporation is holding the proceeds of the sale, if the Corporation does not purchase another real property within three (3) years of the date of this Charitable Agreement, then Corporation shall dissolve, liquidate or wind up its affairs. The Corporation will consult with legal counsel in respect of its proposed dissolution, liquidation or other winding-up of the affairs of the Corporation (collectively, "**Dissolution**") to ascertain if any remaining assets of the Corporation, net of payment of taxes and other amounts properly due and owing by the Corporation (the "**Assets**") can be legally transferred or distributed to the Subordinate Unit. If permitted, Corporation shall so transfer the Assets.

2.2 **Assets.** (a) If it is determined by legal counsel that the Assets can be conveyed to the Subordinate Unit, the Assets shall be conveyed as-is to Subordinate Unit upon such Dissolution, except that any real property shall be sold prior to Dissolution and the after-tax cash proceeds from such sale shall be conveyed to Subordinate Unit, and Subordinate Unit shall have the right to use, sell or otherwise dispose of the Assets in such manner and at such times as it sees fit, and, in the case of non-cash or non-cash equivalent Assets, to retain the proceeds from the sale of such Assets



should it choose to sell them. However, Subordinate Unit shall be under no obligation to sell or otherwise dispose of such non-cash and non-cash equivalent Assets and may retain them and use them as it sees fit. (b) If it is determined by legal counsel for the Corporation that the Assets cannot be transferred or distributed to the Subordinate Unit (e.g. because of rules respecting charities and to whom they can distribute their assets) the Corporation and its members will, with the prior written consent of the Subordinate Unit, determine to which bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church such Assets will be transferred or distributed on Dissolution and the Corporation will transfer or distribute such Assets to that registered charity.

2.3 Transfer of Assets. Upon transfer of Assets to Subordinate Unit, Assets shall become “council funds” within the meaning of and subject to Section 122 of the Laws Governing Subordinate Councils of Knights of Columbus.

2.4 Donation. Corporation agrees that if Corporation sells or otherwise disposes of its real property and purchases another real property, it shall consult with legal counsel to ascertain if any excess after-tax proceeds from the sale or other disposition can be transferred or distributed to the Subordinate Unit. If the excess may legally be so transferred, the Corporation shall donate and distribute to Subordinate Unit any excess after-tax proceeds from the sale or other disposition which are not used for the purchase of the new real property. If it is determined by legal counsel for the Corporation that such excess cannot be transferred or distributed to the Subordinate Unit, the Corporation will, with the prior written consent of the Subordinate Unit, determine to which bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church such excess will be transferred or distributed and the Corporation will transfer or distribute such excess to that registered charity.

2.5 Payment to Bona Fide Charity. In the event that Subordinate Unit no longer exists, the Assets or excess proceeds shall be paid to a bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church.

3. CORPORATE RESOLUTION.

3.1 Corporate Action. Simultaneously with the execution and delivery of this Charitable Agreement, Corporation is providing Subordinate Unit with evidence satisfactory to it that Corporation has taken all corporate action necessary or appropriate to authorize and approve the transfer of assets set forth in Section 2 above (including without limitation the Corporate Resolution annexed hereto as **Schedule 1**), and Corporation hereby represents, warrants and covenants that this Charitable Agreement has been duly authorized, executed and delivered by Corporation, that Corporation has the requisite corporate power and authority to execute, deliver and perform this Charitable Agreement, and that this Charitable Agreement constitutes a legal, valid and binding obligation of Corporation, enforceable against Corporation in accordance with its terms.



Initials _____

Initials _____

3.2 Indebtedness. Corporation further represents, warrants and covenants that, except for any mortgage against real property currently owned by it, Corporation has no indebtedness not incurred in the ordinary course of business, and the execution, delivery and performance of this Charitable Agreement do not violate any provision of Corporation's charter documents or constitute a breach or default under any agreement to which it is a party.

4. TRUSTEE.

In the event that Subordinate Unit has been suspended, dissolved or otherwise no longer exists, state council of Knights of Columbus ("State Council") in whose jurisdiction Subordinate Unit is located shall benefit from and enforce the rights under this Charitable Agreement. At its sole discretion, State Council may opt to enforce the terms of this Charitable Agreement. Corporation acknowledges and agrees that State Council is intended to be a third-party beneficiary under this Section 4 in order to enforce the obligations of this Charitable Agreement directly against Corporation, including, without limitation, Section 2.5.

5. DISPUTE RESOLUTION.

5.1 Purpose. The purpose of this section is to prescribe the sole means to present and resolve any and all complaints or disputes between Subordinate Unit and Corporation. Procedures set forth in this section are meant to provide prompt, fair and efficient, opportunities for dispute resolution. This section applies to any and all claims, actions, disputes and grievances of any kind or nature whatsoever between Subordinate Unit and Corporation. It includes, but is not limited to, claims arising out of or in connection with this Charitable Agreement, as well as any and all claims based on breach of contract, fraud, misrepresentation, tort or violation of statute.

5.2 Full Force and Effect. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this section, this section shall remain in full force and effect as to any remaining parties or claims involved in such dispute. In the event that Subordinate Unit no longer exists, and there is a dispute under this Charitable Agreement, State Council shall have the right to enter into dispute resolution with Corporation pursuant to Section 4.

5.3 Exclusive Steps. No lawsuit or any other actions may be brought for any claims or disputes covered by this section, except as stated in this Section 5. The following are the sole and exclusive steps and procedures for presenting and resolving claims or disputes:

Step 1. State Deputy. The dispute shall initially be presented for resolution to the state deputy of the jurisdiction in which Subordinate Unit is located.



Step 2. Mediation. If Step 1 does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accordance with the mediation rules of the American Arbitration Association under its Commercial Mediation Rules (unless another neutral organization is agreed upon by the parties).

Step 3. Arbitration. If Step 2 does not result in a mutually satisfactory resolution, the matter will be resolved by binding arbitration, before a single arbitrator, administered by and in accordance with the rules as prescribed by the American Arbitration Association under its Commercial Arbitration Rules (unless another neutral organization is mutually agreed upon). The decision of the arbitrator shall be made in writing and shall be final and binding, subject only to the right to appeal such decision as provided in the American Arbitration Association Appellate Arbitration Rules and applicable law. Judgment on the arbitration award may be entered in any court having jurisdiction. The exclusive venue for arbitration shall be the city in which Subordinate Unit is located. The proceedings shall be stenographically recorded and may be recorded by video or digital image if the parties mutually agree thereto. Every reasonable effort shall be made to complete Step 1 within 60 days of the date the notice of dispute is received by all parties; Step 2 within an additional 90 days; and Step 3 within an additional 120 days.

5.4 Administrative Costs. The administrative costs of the mediation and/or arbitration (including fees and expenses of mediators or arbitrators, and reasonable and necessary stenographic or other recording fees) shall be paid equally by the parties. Each party shall bear its own legal fees, expert fees, and discovery costs, unless otherwise awarded by the arbitrator.

5.5 Damages. Except as expressly limited in this paragraph, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal, state, or provincial law, including legal fees and expenses if such legal fees and expenses are deemed appropriate under applicable law. In the event that any arbitrator or court of competent jurisdiction deems any portion of this section to be unenforceable or otherwise void under applicable law, the remaining portions of this section shall remain in full force and effect.

6. MISCELLANEOUS.

6.1 Separate And Distinct Entities. Subordinate Unit, Corporation and Knights of Columbus are each separate and distinct entities. Corporation recognizes and acknowledges that (a) Knights of Columbus is a separate and distinct entity from the Subordinate Unit, (b) Subordinate Unit is signing this Agreement only on its own behalf and its members' behalf, and (c) Knights of Columbus (i) is not a party to this Agreement and (ii) is not responsible for any of Subordinate Unit's obligations hereunder or any other liabilities arising from Subordinate Unit's use of any premises.



Initials _____

Initials _____

6.2 Compliance With Laws. Subordinate Unit and Corporation will at all times comply with all federal, provincial and local laws, statutes, ordinances, and regulations.

6.3 Notices. All notices shall be in writing and delivered by registered mail, by hand or by a reputable overnight carrier to the address of Subordinate Unit or Corporation set forth above.

6.4 Representations and Warranties. Corporation. Corporation warrants and represents that: (a) it is duly formed and in good standing in the province of its formation; (b) it has full power and authority to enter into this Charitable Agreement; and (c) this Charitable Agreement is being signed by an authorized representative of Corporation.

6.5 Representations and Warranties. Subordinate Unit. Subordinate Unit warrants and represents that: (a) it has full power and authority to enter into this Charitable Agreement; and (b) this Charitable Agreement is being signed by an authorized representative of Subordinate Unit.

6.6 Entire Agreement. This Agreement (which includes all exhibits, attachments, schedules and other documents which have been incorporated by reference) constitutes the entire agreement and understanding, and supersedes any previous agreements, between the parties hereto with respect to the subject matter hereof and its terms may not be changed or amended except by an instrument in writing agreed to by the parties.



SCHEDULE 1

RESOLUTION OF THE BOARD OF DIRECTORS ("BOARD OF DIRECTORS") AND MEMBERS OF _____ CORPORATION

The undersigned, being all of the directors on the Board of Directors of _____ Corporation, a _____ (province of incorporation or Canada) corporation ("Corporation") and at least two-thirds of the Members of the Corporation, do by this resolution, pursuant to the general corporation laws of the Province of _____, hereby consent to and adopt the following preamble and resolution ("Resolution") without a meeting, on written consent in lieu of a meeting of the Board of Directors and Members and order that this resolution be filed with the minutes of the proceedings of the Board of Directors and Members of Corporation:

WHEREAS, Corporation wishes to provide for the distribution of the after-tax proceeds of Corporation upon the dissolution of Corporation which proceeds will be for the benefit of Knights of Columbus Council/Assembly/Circle/Chapter, _____ (name), No. _____, an unincorporated association holding a charter from Knights of Columbus or otherwise approved by the Board of Directors of Knights of Columbus ("Subordinate Unit"); and

WHEREAS, in furtherance thereof, Corporation wishes to enter into a Charitable Distribution Agreement ("Charitable Agreement") with Subordinate Unit in accordance with the Terms and Conditions set forth in the Charitable Agreement annexed hereto, and to take such further actions as deemed necessary or desirable to effect the transactions contemplated therein.

NOW, THEREFORE, it is hereby

RESOLVED, as a special resolution and subject to the resolution below, that the distribution of the after-tax proceeds from dissolution of Corporation, from Corporation to Subordinate Unit be, and is hereby approved; and it is

FURTHER RESOLVED, that, in furtherance of the foregoing Resolution, the form and terms and conditions of the Charitable Agreement annexed hereto be, and they hereby are confirmed and approved; and it is

FURTHER RESOLVED, that in furtherance of the foregoing Resolution, if the letters patent or articles of the Corporation are inconsistent with this Resolution and the Charitable Agreement that the letters patent or articles be amended to permit such distribution of proceeds; in conformity with the provisions set out below respecting the addition to the by-laws; and it is

FURTHER RESOLVED, that the President of Corporation be, and he is, hereby authorized and empowered to execute and deliver the Charitable Agreement and to take all such further action and to execute and deliver all such further agreements, instruments and other documents, in the name of and on behalf of Corporation, as in his sole and absolute judgment shall be deemed to be necessary, proper or advisable in order to fully carry out the intent and accomplish the purposes of the foregoing preambles and Resolution; and it is




FURTHER RESOLVED, that the by-laws of Corporation are amended by adding the following:


“(1) Upon sale or other disposition of Corporation’s real property, if Corporation does not purchase another real property within three (3) years of such sale or other disposition, or (2) in the event Corporation’s real property has been sold prior to the date of the Charitable Agreement and the Corporation is holding the proceeds of the sale, if the Corporation does not purchase another real property within three (3) years of the date of the Charitable Agreement, then Corporation shall dissolve, liquidate or wind up its affairs. Upon any dissolution, liquidation or other winding up of the affairs of Corporation (collectively, “Dissolution”), all of the assets of Corporation, net of payment of taxes and other amounts properly due and owing by Corporation (the “Assets”), shall be transferred and distributed to Subordinate Unit which is the signatory to the Charitable Agreement if the Corporation is legally able to do so under charitable law, or if not, then the distribution shall be to a registered Canadian charity approved by the Corporation in consultation with the Subordinate Unit pursuant to the Charitable Agreement. If it is determined that the Assets can be conveyed to the Subordinate Unit, the Assets shall be conveyed as-is to Subordinate Unit upon such Dissolution, except that any real property shall be sold prior to Dissolution and the after-tax cash proceeds shall be conveyed to Subordinate Unit, and Subordinate Unit shall have the right to use, sell or otherwise dispose of the Assets in such manner and at such times as it sees fit, and, in the case of non-cash or non-cash equivalent Assets, to retain the proceeds from the sale of such Assets should it choose to sell them. However, Subordinate Unit shall be under no obligation to sell or otherwise dispose of such non-cash and non-cash equivalent assets and may retain them and use them as it sees fit. Upon transfer of Assets to Subordinate Unit, Assets shall become “council funds” within the meaning of and subject to Section 122 of the Laws Governing Subordinate Councils of Knights of Columbus. If Corporation sells or otherwise disposes of its real property and purchases another real property, Corporation shall donate and distribute to Subordinate Unit any excess after-tax proceeds from the sale or other disposition which are not used for the purchase of the new real property. In the event that Subordinate Unit is suspended, dissolved or otherwise no longer exists, or if it is determined that the Assets cannot be conveyed to the Subordinate Unit under charitable law the Assets or excess proceeds shall be paid to a bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church.”


FURTHER RESOLVED, that the taking of any action or the execution and delivery of any document authorized by the foregoing Resolution, and each of them, in the name and on behalf of Corporation by the Board of Directors, be deemed, and it hereby is authorized and empowered to be, conclusive proof of the approval thereof from this Board of Directors, without the necessity of affixing the corporate seal of Corporation thereon.


IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent on the _____ day of _____, 20____.


DIRECTORS


 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

Appendix H

CHARITABLE DISTRIBUTION AGREEMENT

(Canada – Quebec – for Use Without Terms of Use Agreement)

This **CHARITABLE DISTRIBUTION AGREEMENT** (“Charitable Agreement”) incorporating the Terms and Conditions attached hereto, is made as of the ____ day of _____, 20____, by and between:

SUBORDINATE UNIT (including, but not limited to, subordinate councils, assemblies, circles, chapters, etc.):

Knights of Columbus Council/Assembly/Circle/Chapter:

Name _____ No. _____

an unincorporated association holding a charter from Knights of Columbus or otherwise approved by the Board of Directors of Knights of Columbus.

Address: _____

Address: _____

Federal Tax Charity Registration Number or Business Number (if any): _____

(“Subordinate Unit”)

and

CORPORATION:

Name: _____

Address: _____

Address: _____

A corporation organized under the laws of the Province of _____ or Canada

Federal Tax Charity Registration Number or Business Number (if any): _____

(“Corporation”)

This Charitable Agreement is subject to the Terms and Conditions attached hereto.



IN WITNESS WHEREOF, this Charitable Agreement is hereby executed as of the date first above written.

SUBORDINATE UNIT

**Knights of Columbus
Council/Assembly/Circle/Chapter**

Subordinate Unit Name:

No. _____



By: _____

Name: _____

Title: _____

PROVINCE OF _____

CITY OF _____

On the _____ day of _____ in the year _____ before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he resides in _____ that he is the _____ of the _____ (name of subordinate unit), the subordinate unit described in and which executed the above instrument; and that he signed his name thereto by authority of said subordinate unit identified above.

Commissioner of Oaths

CORPORATION

Corporation Name:



By: _____

Name: _____

Title: _____

PROVINCE OF _____

CITY OF _____

On the _____ day of _____ in the year _____ before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he resides in _____ that he is the _____ of the _____ (name of corporation), the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

Commissioner of Oaths



Initials _____

Initials _____

TERMS AND CONDITIONS

In consideration (i) of the mutual covenants set forth herein, (ii) of payment of \$10.00 by the Subordinate Unit to the Corporation, and (iii) for other good and valuable consideration, the receipt and sufficiency of which Subordinate Unit and Corporation hereby acknowledge, Subordinate Unit and Corporation each hereby agree as follows:

1. DEFINITIONS AND OBJECTIVE.

1.1 Subordinate Unit. Subordinate Unit is an unincorporated association holding a charter from Knights of Columbus (as hereinafter defined) or is otherwise approved by the Board of Directors of Knights of Columbus and consists of its members.

1.2 Corporation. Corporation is a corporation incorporated under the laws of Canada or of the province in which Corporation has its registered office. Corporation is a legal entity separate and distinct from Subordinate Unit and Knights of Columbus (as hereinafter defined).

1.3 Knights of Columbus. Knights of Columbus is a Connecticut non-stock corporation ("Knights of Columbus"), which received its corporate charter from the General Assembly of the State of Connecticut in 1882, the year of its founding. The Supreme Office of Knights of Columbus is located in New Haven, Connecticut. Knights of Columbus is not a party to this Agreement.

1.4 Objective. Subordinate Unit and Corporation are entering into this Charitable Agreement to clarify the relationship between Subordinate Unit and Corporation in order to promote the fraternal and charitable mission of Subordinate Unit.

2. PROCEEDS OF SALE.

2.1 Real Property. In furtherance of Section 1.4 above, Corporation agrees that, (i) upon Corporation's sale or other disposition of its real property, if Corporation does not purchase another real property within three (3) years of such sale or other disposition, or (ii) in the event Corporation's real property has been sold prior to the date of this Charitable Agreement and the Corporation is holding the proceeds of the sale, if the Corporation does not purchase another real property within three (3) years of the date of this Charitable Agreement, then Corporation shall dissolve, liquidate or wind up its affairs. The Corporation will consult with legal counsel in respect of its proposed dissolution, liquidation or other winding-up of the affairs of the Corporation (collectively, "Dissolution") to ascertain if any remaining assets of the Corporation, net of payment of taxes and other amounts properly due and owing by the Corporation (the "Assets") can be legally transferred or distributed to the Subordinate Unit. If permitted, Corporation shall so transfer the Assets.

2.2 Assets. (a) If it is determined by legal counsel that the Assets can be conveyed to the Subordinate Unit, the Assets shall be conveyed as-is to Subordinate Unit upon such Dissolution, except that any real property shall be sold prior to Dissolution and the after-tax cash proceeds from such sale shall be conveyed to Subordinate Unit, and Subordinate Unit shall have the right to use, sell or otherwise dispose of the Assets in such manner and at such times as it sees fit, and, in the case of non-cash or non-cash equivalent Assets, to retain the proceeds from the sale of such Assets should it choose to sell them. However, Subordinate Unit shall be under no obligation to sell or otherwise dispose of such non-cash and non-cash equivalent Assets and may retain them and use



Initials _____

Initials _____

them as it sees fit. (b) If it is determined by legal counsel for the Corporation that the Assets cannot be transferred or distributed to the Subordinate Unit (e.g., because of rules respecting charities and to whom they can distribute their assets) the Corporation and its members will, with the prior written consent of the Subordinate Unit, determine to which bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church such Assets will be transferred or distributed on Dissolution and the Corporation will transfer or distribute such Assets to that registered charity.

2.3 Transfer of Assets. Upon transfer of Assets to Subordinate Unit, Assets shall become “council funds” within the meaning of and subject to Section 122 of the Laws Governing Subordinate Councils of Knights of Columbus.

2.4 Donation. Corporation agrees that (i) if Corporation’s real property has been sold prior to the date of this Charitable Agreement and Corporation purchases another property within three (3) years of this Charitable Agreement, or (ii) if Corporation sells or otherwise disposes of its real property and purchases another real property, it shall consult with legal counsel to ascertain if any excess after-tax proceeds from the sale or other disposition can be transferred or distributed to the Subordinate Unit. If the excess may legally be so transferred, the Corporation shall donate and distribute to Subordinate Unit any excess after tax proceeds from the sale or other disposition which are not used for the purchase of the new real property. If it is determined by legal counsel for the Corporation that such excess cannot be transferred or distributed to the Subordinate Unit, the Corporation will, with the prior written consent of the Subordinate Unit, determine to which bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church such excess will be transferred or distributed and the Corporation will transfer or distribute such excess to that registered charity.

2.5 Payment to Bona Fide Charity. In the event that Subordinate Unit no longer exists, the Assets or excess proceeds shall be paid to a bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church.

3. CORPORATE RESOLUTION.

3.1 Corporate Action. Simultaneously with the execution and delivery of this Charitable Agreement, Corporation is providing Subordinate Unit with evidence satisfactory to it that Corporation has taken all corporate action necessary or appropriate to authorize and approve the transfer of assets set forth in Section 2 above (including without limitation the Corporate Resolution annexed hereto as **Schedule 1**), and Corporation hereby represents, warrants and covenants that this Charitable Agreement has been duly authorized, executed and delivered by Corporation, that Corporation has the requisite corporate power and authority to execute, deliver and perform this Charitable Agreement, and that this Charitable Agreement constitutes a legal, valid and binding obligation of Corporation, enforceable against Corporation in accordance with its terms.



3.2 Indebtedness. Corporation further represents, warrants and covenants that, except for any mortgage against real property currently owned by it, Corporation has no indebtedness not incurred in the ordinary course of business, and the execution, delivery and performance of this Charitable Agreement does not violate any provision of Corporation's charter documents or constitute a breach or default under any agreement to which it is a party.

4. STATE COUNCIL.

In the event that Subordinate Unit has been suspended, dissolved or otherwise no longer exists, state council of Knights of Columbus ("State Council") in whose jurisdiction Subordinate Unit is located shall benefit from and enforce the rights under this Charitable Agreement. At its sole discretion, State Council may opt to enforce the terms of this Charitable Agreement. Corporation acknowledges and agrees that State Council is intended to be a third-party beneficiary under this Section 4 in order to enforce the obligations of this Charitable Agreement directly against Corporation, including, without limitation, Subsection 2.5.

5. DISPUTE RESOLUTION.

5.1 Purpose. The purpose of this section is to prescribe the sole means to present and resolve any and all complaints or disputes between Subordinate Unit and Corporation. Procedures set forth in this section are meant to provide prompt, fair and efficient, opportunities for dispute resolution. This section applies to any and all claims, actions, disputes and grievances of any kind or nature whatsoever between Subordinate Unit and Corporation. It includes, but is not limited to, claims arising out of or in connection with this Charitable Agreement, as well as any and all claims based on breach of contract, fraud, misrepresentation, tort or violation of statute.

5.2 Full Force and Effect. In the event that a court or arbitrator of competent jurisdiction deems any party or claim in a dispute not subject to this section, this section shall remain in full force and effect as to any remaining parties or claims involved in such dispute. In the event that Subordinate Unit no longer exists, and there is a dispute under this Charitable Agreement, State Council shall have the right to enter into dispute resolution with Corporation pursuant to Section 4.

5.3 Exclusive Steps. No lawsuit or any other actions may be brought for any claims or disputes covered by this section, except as stated in this Section 5. The following are the sole and exclusive steps and procedures for presenting and resolving claims or disputes:

Step 1. State Deputy. The dispute shall initially be presented for resolution to the state deputy of the jurisdiction in which Subordinate Unit is located.



Initials _____

Initials _____

Step 2. Mediation. If Step 1 does not result in a mutually satisfactory resolution, either party has the right to have the matter mediated in accordance with the mediation rules of the American Arbitration Association under its Commercial Mediation Rules (unless another neutral organization is agreed upon by the parties).

Step 3. Arbitration. If Step 2 does not result in a mutually satisfactory resolution, the matter will be resolved by binding arbitration, before a single arbitrator, administered by and in accordance with the rules as prescribed by the American Arbitration Association under its Commercial Arbitration Rules (unless another neutral organization is mutually agreed upon). The decision of the arbitrator shall be made in writing and shall be final and binding, subject only to the right to appeal such decision as provided in the American Arbitration Association Appellate Arbitration Rules and applicable law. Judgment on the arbitration award may be entered in any court having jurisdiction. The exclusive venue for arbitration shall be the city in which Subordinate Unit is located. The proceedings shall be stenographically recorded and may be recorded by video or digital image if the parties mutually agree thereto. Every reasonable effort shall be made to complete Step 1 within 60 days of the date the notice of dispute is received by all parties; Step 2 within an additional 90 days; and Step 3 within an additional 120 days.

5.4 Administrative Costs. The administrative costs of the mediation and/or arbitration (including fees and expenses of mediators or arbitrators, and reasonable and necessary stenographic or other recording fees) shall be paid equally by the parties. Each party shall bear its own attorneys' fees, expert fees, and discovery costs, unless otherwise awarded by the arbitrator.

5.5 Damages. Except as expressly limited in this paragraph, the parties to a dispute may be awarded any and all damages or other relief allowed for the claim in dispute by applicable federal, state, or provincial law, including legal fees and expenses if such legal fees and expenses are deemed appropriate under applicable law. In the event that any arbitrator or court of competent jurisdiction deems any portion of this section to be unenforceable or otherwise void under applicable law, the remaining portions of this section shall remain in full force and effect.

6. **MISCELLANEOUS.**

6.1 Separate And Distinct Entities. Subordinate Unit, Corporation, and Knights of Columbus are all separate and distinct entities. Corporation recognizes and acknowledges that (a) Subordinate Unit and Knights of Columbus are separate and distinct entities, (b) Subordinate Unit is signing this Agreement only for itself, and (c) Knights of Columbus (i) is not a party to this Agreement and (ii) is not responsible for any of Subordinate Unit obligations hereunder or any other liabilities arising from Subordinate Unit's use of Premises.



6.2 Compliance With Laws. Subordinate Unit and Corporation will at all times comply with all federal, provincial, and local laws, statutes, ordinances, and regulations.

6.3 Notices. All notices shall be in writing and delivered by certified mail, by hand or by a reputable overnight carrier to the address of Subordinate Unit or Corporation set forth above.

6.4 Representations and Warranties. Corporation. Corporation warrants and represents that: (a) it is duly formed and in good standing in the province of its formation or if federal under the laws of Canada; (b) it has full power and authority to enter into this Charitable Agreement; and (c) this Charitable Agreement is being signed by an authorized representative of Corporation.

6.5 Representations and Warranties. Subordinate Unit. Subordinate Unit warrants and represents that: (a) it has full power and authority to enter into this Charitable Agreement; and (b) this Charitable Agreement is being signed by an authorized representative of Subordinate Unit.

6.6 Entire Agreement. This Agreement (which includes all exhibits, attachments, schedules and other documents which have been incorporated by reference) constitutes the entire agreement and understanding, and supersedes any previous agreements, between the parties hereto with respect to the subject matter hereof and its terms, and may not be changed or amended except by an instrument in writing agreed to by the parties.



SCHEDULE 1

RESOLUTION OF THE BOARD OF DIRECTORS ("BOARD OF DIRECTORS") AND MEMBERS OF _____ CORPORATION

The undersigned, being all of the members of the Board of Directors of _____ Corporation, a _____ (province of incorporation) corporation ("Corporation"), and at least two-thirds of the Members of the Corporation do by this resolution, pursuant to the general corporation laws of the Province of _____, hereby consent to and adopt the following preamble and resolution ("Resolution") without a meeting, on written consent in lieu of a meeting of the Board of Directors and Members and order that this resolution be filed with the minutes of the proceedings of the Board of Directors and Members of Corporation:

WHEREAS, Corporation wishes to provide for the distribution of the after-tax proceeds of Corporation upon the dissolution of Corporation which proceeds will be for the benefit of Knights of Columbus Council/Assembly/Circle/ Chapter, _____ (name), No. _____, an unincorporated association holding a charter from Knights of Columbus or otherwise approved by the Board of Directors of Knights of Columbus ("Subordinate Unit"); and

WHEREAS, in furtherance thereof, Corporation wishes to enter into a Charitable Distribution Agreement ("Charitable Agreement") with Subordinate Unit in accordance with the Terms and Conditions set forth in the Charitable Agreement annexed hereto, and to take such further actions as deemed necessary or desirable to effect the transactions contemplated herein.

NOW, THEREFORE, it is hereby

RESOLVED, that the distribution of the after-tax proceeds from dissolution of Corporation, from Corporation to Subordinate Unit be, and is hereby approved; and it is

FURTHER RESOLVED, that, in furtherance of the foregoing Resolution, the form and terms and conditions of the Charitable Agreement annexed hereto be, and they hereby are confirmed and approved; and it is

FURTHER RESOLVED, that the President of Corporation be, and he is, hereby authorized and empowered to execute and deliver the Charitable Agreement and to take all such further action and to execute and deliver all such further agreements, instruments and other documents, in the name of and on behalf of Corporation, as in his sole and absolute judgment shall be deemed to be necessary, proper or advisable in order to fully carry out the intent and accomplish the purposes of the foregoing preambles and Resolution; and it is




FURTHER RESOLVED, that the by-laws of Corporation are amended by adding the following:


“(1) Upon sale or other disposition of Corporation’s real property, if Corporation does not purchase another real property within three (3) years of such sale or other disposition, or (2) in the event Corporation’s real property has been sold prior to the date of the Charitable Agreement and the Corporation is holding the proceeds of the sale, if Corporation does not purchase another real property within three (3) years of the date of the Charitable Agreement, then Corporation shall dissolve, liquidate or wind up its affairs. Upon any dissolution, liquidation or other winding up of the affairs of Corporation (collectively, “Dissolution”), all of the assets of Corporation, net of payment of taxes and other amounts properly due and owing by Corporation (the “Assets”), shall be donated and distributed to Subordinate Unit which is the signatory to the Charitable Agreement. The Assets shall be conveyed as-is to Subordinate Unit upon such Dissolution, except that any real property shall be sold prior to Dissolution and the after-tax cash proceeds shall be conveyed to Subordinate Unit, and Subordinate Unit shall have the right to use, sell or otherwise dispose of the Assets in such manner and at such times as it sees fit, and, in the case of non-cash or non-cash equivalent Assets, to retain the proceeds from the sale of such Assets should it choose to sell them. However, Subordinate Unit shall be under no obligation to sell or otherwise dispose of such non-cash and non-cash equivalent assets and may retain them and use them as it sees fit. Upon transfer of Assets to Subordinate Unit, Assets shall become “council funds” within the meaning of and subject to Section 122 of the Laws Governing Subordinate Councils of Knights of Columbus. (i) If Corporation’s real property has been sold prior to the date of Charitable Agreement and Corporation purchases another property within three (3) years of the Charitable Agreement, or (ii) if Corporation sells or otherwise disposes of its real property and purchases another real property, Corporation shall donate and distribute to Subordinate Unit any excess after-tax proceeds from the sale or other disposition which are not used for the purchase of the new real property. In the event that Subordinate Unit is suspended, dissolved or otherwise no longer exists, or if it is determined that the Assets cannot be conveyed to the Subordinate Unit under charitable law the Assets or excess proceeds shall be paid to a bona fide Canadian registered charity under the *Income Tax Act* (Canada) consistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church.”


FURTHER RESOLVED, that the taking of any action or the execution and delivery of any document authorized by the foregoing Resolution, and each of them, in the name and on behalf of Corporation by the Board of Directors, be deemed, and it hereby is authorized and empowered to be, conclusive proof of the approval thereof from this Board of Directors, without the necessity of affixing the corporate seal of Corporation thereon.


IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent on the _____ day of _____, 20____.


DIRECTORS


 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

 Signature: _____
Name: _____

Appendix I

Knights of Columbus Councils **Conflict of Interest Guidance Summary**

(A complete copy of the Knights of Columbus Councils Conflict of Interest Guidance can be accessed on the Officers' Desk Reference).

Officers of Knights of Columbus Councils hold their positions under the *Charter, Constitution and Laws of the Knights of Columbus*. Every officer should be aware that applicable state and provincial law imposes on officers of Councils duties of care, good faith, and loyalty to the Council. In order to facilitate an understanding of these obligations, and based on experience from circumstances in which conflicts have arisen, the Office of the Supreme Advocate has prepared this Conflict of Interest Guidance Summary.

1. **Officers' Duty.** The duties of care, good faith and loyalty to the Council require each officer to pursue the interest of the Council rather than his own or another entity's interests in connection with decisions made on behalf of the Council. If an officer has duties of care, good faith or loyalty to another entity with regard to such decisions, he has a potential conflict of interest.
2. **Conflict of Interest Disclosure Form.** It is suggested that each officer of the Council shall annually sign, and provide to the Financial Secretary by January 15th, a Conflict of Interest Disclosure Form; the Council shall retain the annual Conflict of Interest Disclosure Forms for seven years; and the Council's Financial Secretary shall retain a hard copy of the Knights of Columbus Councils Conflict of Interest Guidance as a permanent Council record which shall be made available to every Council officer and member upon request.
3. **Consideration of a Conflict of Interest.** In order to oversee compliance with the Conflict of Interest Guidance, a Council may establish a Conflict of Interest Committee which shall consist of the Council's Board of Trustees, in accordance with Section 145 of the Laws of the Order, who will make determinations regarding whether an actual conflict of interest exists. The Conflict of Interest Committee may make the determination in accordance with the procedure established in the Knights of Columbus Councils Conflict of Interest Guidance. If such a committee has not been established, the Grand Knight may consider the issue himself in consultation with two other non-conflicted officers. If the Grand Knight discloses a potential conflict of interest, a non-conflicted officer should replace the Grand Knight in consideration of the matter.
4. **Other Conflict of Interest Disclosure.** It is further suggested that if a potential conflict of interest arises for an officer during the course of the year, he shall disclose that fact to the Grand Knight, who shall refer the matter to the Conflict of Interest Committee, if one has been established, or consider the issue himself as set forth above if a committee has not been established.
5. **Five Assessment Factors.** For Councils affiliated with Home Corporations, in determining whether a conflict of interest exists, the Conflict of Interest Committee, or

the Grand Knight together with two non-conflicted officers, may undertake a serious assessment of how that relationship supports the Council in its fulfillment of the core mission of the Knights of Columbus by evaluating the following five leading indicators that a Home Corporation's problems are substantially impacting a Council's ability to carry out its core mission:

- a. *Whether the majority of council members' time, resources, and attention are devoted to addressing the problems and concerns of the Home Corporation whose facility it uses.*
- b. *Whether a Home Corporation's property tax obligation, utility bills, liability insurance premiums, and other expenses are so burdensome that it is forced to charge the council and its members a disproportionate rent or other fees that may exceed fair market rents of similar facilities in the area.*
- c. *Whether a Home Corporation struggles to find suitable rentals to pay its bills because of competition from modern professional banquet halls and hotel facilities in the same area.*
- d. *Whether the local reputation of the Knights of Columbus is defined more by non-Knights of Columbus rentals of a Home Corporation's facilities than by the Order's charitable and evangelical mission.*
- e. *Whether there is such strife, factionalism, and outright conflict among members concerning the Home Corporation that the Order's principle of Unity is broken and the council is unable to effectively carry out its essential mission and attract new members.*

6. Determination of a Conflict of Interest. Where a Council establishes a Conflict of Interest Committee, such committee may determine whether a conflict exists, and if so, whether a conflict disclosure should be made, prior to any vote by the Council or its officers on the transaction. Where no such committee has been established, the Grand Knight together with two non-conflicted officers may make such a determination.

7. Purpose of Guidance. The purpose of the Guidance and of establishing a Conflict of Interest Committee is to encourage each Council to operate in a manner consistent with fraternal and charitable purposes that does not jeopardize its tax exempt status.

Knights of Columbus Councils
Conflict of Interest Disclosure Form

Name: _____

Position (trustee/officer/member): _____

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could create a conflict of interest between your duty of care, good faith and loyalty to the Council and your similar duty to another entity involved in a transaction with the Council.

_____ I have read the conflict of interest guidance

_____ I have no conflict of interest to report

_____ I have the following conflict of interest, or possible conflict of interest to report:

1. _____

2. _____

3. _____

I acknowledge that I have an ongoing duty of care, good faith, and loyalty to the Council and I agree to disclose a conflict of interest, if one should arise during the year, after I have signed this Conflict of Interest Disclosure Form.

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signature: _____

Date: _____

Appendix J

RESOLUTION NO. 341

DISPOSITION OF FUNDS OR PROPERTY OF SUBORDINATE UNITS IN THE EVENT THAT SUCH SUBORDINATE UNITS ARE SUSPENDED, DISSOLVED OR OTHERWISE NO LONGER EXIST

WHEREAS, Knights of Columbus is a Connecticut non-stock corporation (“Knights of Columbus”), which received its corporate charter from the General Assembly of the State of Connecticut in 1882, the year of its founding; and

WHEREAS, subordinate councils or other branches and divisions of Knights of Columbus (collectively “Subordinate Units”) hold charters conferred upon them by Knights of Columbus or are otherwise approved by the Board of Directors of Knights of Columbus; and

WHEREAS, the Supreme Council of Knights of Columbus (“Supreme Council”) wishes to clarify the procedure to be used by Subordinate Units to dispose of funds or property belonging to Subordinate Units in the event that such Subordinate Units are suspended, dissolved or otherwise no longer exist.

NOW, THEREFORE, BE IT RESOLVED, it is the policy of the Supreme Council that in the event that it appears that a Subordinate Unit may be suspended, dissolved or may otherwise no longer exist, that prior to such suspension or dissolution, any residual funds or property of such Subordinate Unit shall be distributed to a charitable organization designated under Section 501(c)(3) of the Internal Revenue Code, or the equivalent designation in a non-United States jurisdiction, the mission and identity of which is not inconsistent with the mission and identity of Knights of Columbus and the teachings of the Catholic Church, with preference given to a local parish church or school, Knights of Columbus Charities, Inc., Knights of Columbus Charities USA, Inc., Knights of Columbus Canada Charities, Inc., the John Paul II Shrine and Institute, Inc., or a state council charitable corporation; and

FURTHER RESOLVED, that any such disposition shall be made in accordance with Section 122 of the Laws of the Knights of Columbus; and

FURTHER RESOLVED, for the purposes of this Resolution only, that in the absence of Subordinate Unit by-laws establishing a quorum for Subordinate Unit meetings, eight (8) voting members shall be the quorum necessary for a meeting at which the Subordinate Unit approves any such disposition, provided, however, that notwithstanding whether Subordinate Unit’s by-laws state otherwise, in the event there are fewer than fifteen (15) voting members in Subordinate Unit, then a simple majority of the voting members will be sufficient to constitute a quorum for such purpose; and

FURTHER RESOLVED, that in accordance with Section 4 of the *Charter of the Knights of Columbus*, and Section 2 of the *Constitution of the Knights of Columbus*, and subject to enforcement, including without limitation, under Section 157.1 of the *Laws of the Knights of Columbus*, Subordinate Units shall be governed by this Resolution as a rule of the Order.

On recommendation of the Resolutions Committee, I move **Adoption** of Resolution 341.

Recommendation approved by the Supreme Council, August 2014.

Appendix K

LOCAL COUNCIL INSURANCE

Every Knights of Columbus council should protect itself by purchasing sufficient general liability insurance to cover all reasonably anticipated risks arising in connection with activities, events and functions involving Knights of Columbus. In many dioceses and parishes, local councils are required to provide evidence of general liability insurance (a certificate of insurance) in order to use parish facilities for meetings and events.

The Supreme Council of the Knights of Columbus does not provide insurance for local councils, nor does it maintain a file of council insurance information. It is the responsibility of each council to arrange for its own insurance coverage and to maintain records of its insurance coverage.

The Supreme Council does not provide insurance coverage to Home Corporations. Home Corporations maintaining facilities used by Knights of Columbus councils are distinct corporate entities outside the control of the Knights of Columbus and are not covered by council insurance policies or the Knights of Columbus. Accordingly, all Home Corporations (including all building associations) should make separate arrangements for adequate insurance coverage.

Appendix L

Council Investments

It has been the longstanding policy of the Order that local councils may not create charitable corporations, trusts, or foundations. These types of entities pose several challenges, including:

- ☐ Requirement of long-term commitment to invest and manage the principal;
- ☐ Risk that successor trustees may not honor the original intention of the trust;
- ☐ Substantial tax compliance obligations; and
- ☐ Substantial legal obligations.

Rather than forming charitable corporations, trusts, or foundations, local councils should consider other ways to distribute income generated by their investments, including donations to:

- ☐ State council charitable foundations
- ☐ Local Catholic schools and churches; and
- ☐ Other local faith-based organizations.

Alternatively, if a council has accumulated assets to be invested in support of a particular program (e.g., scholarships) or another appropriate long term need, the decision as to how to invest should be guided by Catholic moral principles. As an organization of Catholic men, it is imperative that Knights of Columbus councils comply with the United States Conference of Catholic Bishops (USCCB) guidelines in their investment activities. There is no return on investment great enough to justify risking the good name and integrity of the Order by investing in ways that might violate Catholic teaching.

To the extent that a council wishes to invest accumulated funds, the council should retain a qualified and registered investment advisor who is knowledgeable about making investment decisions on behalf of charitable organizations and in accordance with Catholic moral principles. Knights of Columbus Asset Advisors (www.kofcassetadvisors.org) meets these qualifications.



Knights of Columbus Asset Advisors offers a suite of Catholic investment options, consistent with Catholic moral principles, that provides investors with access to the same institutional investment management expertise that guides the Supreme Council's \$22 billion portfolio. For assistance in designing an asset allocation program that meets the specific needs of a council, designated council representatives are invited to consult with Knights of Columbus Asset Advisors. Please contact Thom Duffy, Vice President, Investment Strategy, at (203) 752-4417 or thomas.duffy@kofc.org.

Invested funds should be held under the name and Tax Identification Number (also known as an Employer Identification Number or EIN) of the council, and only the officers identified in the bylaws may have signature authority over the account. The financial officers and trustees are responsible for keeping the members informed about how the funds are invested.

Regardless of how a council decides to invest or donate its funds, all disbursements and distributions must be made in accordance with the procedures set forth in Section 122(b) of the Laws of the Knights of Columbus.

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ST. PIUS X COUNCIL 4076, DISTRICT HEIGHTS, MARYLAND
MOUNT VERNON COUNCIL 5998, ALEXANDRIA, VIRGINIA
GEORGE BRENT COUNCIL 5332, MANASSAS, VIRGINIA
TINTO COUNCIL 47, MILFORD, CONNECTICUT
FATHER JAMES F. DONAHER COUNCIL 3733, NORTH HAVEN, CONNECTICUT
ST. VINCENT DE PAUL COUNCIL 5262, SAN ANTONIO, TEXAS
OUR LADY OF FATIMA COUNCIL 4315, SAN ANTONIO, TEXAS
IMMACULATE CONCEPTION COUNCIL 4140, SAN ANTONIO, TEXAS
EDMONTON COUNCIL 1184, EDMONTON, ALBERTA
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