THE PERMANENT NAME OF MUSLIM COMMUNITY ...

RELIGIOUS TRUST

OF

THE .... .... .... NAME OF BENEFICIARY ISLAMIC ORGANIZATION............., INC.*

* To protect the community property from liability toward third party, there must be three legal entities. The founding organization is the organization that purchases and owns the property. It places it in Trust with a second legal entity, a Trustee, for the beneficiary organization that is the organization that runs and operates the Islamic activities using the property in Trust for its benefit. Once the property is put in Trust the founding organization must die or dissolve, so that an owner cannot be sued because it does not exist. (This is one of the best kept secrets of lawyers!)
THE PERMANENT ....name of Muslim Community ... RELIGIOUS TRUST

OF

The .... .... .... name of beneficiary Islamic organization............., Inc.

Article I: The Trust and The Trust Founder

We, the undersigned, ......... name of founding org., Inc., .......
........, a religious charitable organization incorporated in the state of..........., as represented by the president, the secretary and the treasurer, and after the decision of the Board of Directors of the Corporation no..... dated........, with full power and authority vested in the Board by the Articles of Incorporation of the Organization, announce and declare that the .......... Name of the founding Islamic organization ........ hereby establishes a religious Trust (Waqf) for the sake of God, the Almighty, and to serve the Muslim community in ............. This religious Trust (Waqf) consists of the assets herein described. It is permanent for which we only seek acceptance from God, the Lord of the Worlds. It is established in accordance with the teaching and regulations of the Islamic Shari‘ah (Law) and it is to be governed always and at all times by the spirit, rules and teaching of the Islamic Shari‘ah. No one has any right to change or alter any thing in this document, As God said: “If any one changes the bequest after hearing it, the guilt shall be on those who make the change. For Allah hears and knows all things” [The Qur’an, 2: 181]. This document is to be considered as one unit consisting of Six Articles in seven pages.

On this we fix our signatures, as legal and authorized representatives of the ..........name of founding organization........Inc., on each and every page and on the last page along with witnesses and public notary. We also attach a copy of the decision of the Board of Directors and make it an intrinsic part of the document.

This religious Trust (Waqf) is permanent and irrevocable. It must be preserved until the Day when God resurrects all men and women.

The Assets enTrusted are ....................... (full legal description and listing of all real estates and attached buildings and fixed attachments of the mosque, Islamic center, Islamic school, etc.) .............

This Trust is to be called: The Permanent .........name of the Muslim community ..... Religious Trust of the ...... beneficiary Islamic org .................
**Article II: Use of the Trust’s Assets and Income and Limitation of Power of Founders, Trustees and Beneficiaries**

1. Usage of the Trust’s assets is restricted to the religious Islamic purposes and within the limits ordained by the Islamic Shari’ah. No part of these assets can be used for any activity, what so ever, that may violate the Islamic moral, social religious and spiritual norms, regulations and guidance.

   More specifically, the assets of this Trust are to be used solely for Islamic prayers, meetings of the muslim community and members, boards and committees of the beneficiary organization, teaching Islamic religious and other subjects, lecturing and all other community services and activities as may be decided at the sole discretion of the Beneficiary Islamic Organization.

   If the Trust includes investment assets, they must be invested in accordance with the Islamic Shari’ah. No investment in interest earning assets or stocks and enterprises that produce items or conducts activities prohibited in the Islamic Shari’ah. Only the net revenues and/or incomes of such asset may be used by the Beneficiary Islamic Organization for its operational expenses.

2. All capital gains, appreciation and revaluation accruing to the Trust’s assets shall be added to the principal of the Trust and become inseparable part thereof, whether such gains accrue to the properties named in this document or to any other properties for which any part of existing properties is substituted.

3. All and any additions, improvements, attachments, etc. to the assets of this Trust shall constitute an intrinsic and inseparable part of this Trust and shall be covered by this document as if they were specifically named in article I.

4. The ....... name of the beneficiary organization ....... shall have full, unequivocal and unchallenged rights to use any and all the assets of the Trust for any and all of its activities and at the discretion of its appropriate decision making body in accordance to its own articles of incorporation. All this within the limits and conditions of this document and the Islamic Shari’ah.

5. The Founders, Trustees, Managers, and Beneficiaries have neither power nor authority of disposing of the assets of this Trust or any and all of its capital gains, additions, improvements, attachments, etc. under any and all circumstances.

   However the .... .... .... .... beneficiary org. ....... ....... ..... may decide to replace the assets, wholly or partially, for other assets, at the discretion of its appropriate decision making body.
Once such a decision is delivered in writing to the Trustee, the Trustee must take necessary action to sell the assets. In such a case, new assets must provide at least equal services, or revenues to the same Muslim community of .......... Or any other nearby Muslim community as decided by the Beneficiary Islamic Organization, these assets must be purchased for the full amount of the proceeds of the sale of the old assets, the proceeds from the sale of assets must be placed in an Islamically accepted mutual fund or escrow account within the USA territories and in the name of the Trustee as a Trustee until the purchase is effected and its value becomes due for payment.

6. The properties of this Trust cannot be mortgaged, put as collateral, forsaken, or disposed of in any manner by any of its Founders, Managers, Trustees, Beneficiaries or other legal or natural persons. These properties do not enter under the ownership of the Founders, Trustees, Managers, or Beneficiaries. Any contract, commitment or obligation made to the contrary of this clause is null, void and invalid.

**Article III: The Trust Management**

1. The Beneficiary Islamic Organization of this Trust, .....name of the beneficiary Islamic Org........ shall be the Trust’s manager for as long as it exists. It is required to take good care of the property. This includes being in full charge and responsibility of maintenance, insurance, taxes and any and all other normal and customary expenses necessary to keep the assets usable for what they are made to be used for, maintain their market value and free of obligations and liabilities to any outsider or any third party.

2. The Manager is not authorized sell the properties of the Trust; it cannot give them as a gift or in a last will to any party, use them as collateral, put a lien or cause a lien to be put on them or expose them to any liability to any third party. However, the Manager/Beneficiary of the Trust may choose to surrender its right of the use and/or management, in writing to another Islamic, tax-exempt religious organization of similar objectives that serves the same Muslim community or a nearby Muslim community.

3. Since the Trust’s properties must not be exposed to any liability to any third party, any such liability and/or responsibility that may otherwise be charged to the Trust assets shall fall on the Manager/Beneficiary alone. The Trust shall be free of any liability to any third party at all times.

4. The manager/Beneficiary shall deserve neither compensation nor salary for their services.
Manager/Beneficiary shall not be charged any rent of compensation for the use of the assets of the Trust either.

5. Successor Manager/Beneficiary: should the Manager/Beneficiary discontinue its operation or dissolve, it may appoint a successor Manager/Beneficiary on its own discretion and by a decision taken with due process in accordance with its Articles of Incorporation and by-laws provided the successor Manager/Beneficiary is also a tax-exempt religious Islamic Organization. Should for any reason the Manager/Beneficiary ceases to exist without appointing a successor, the Trustee shall appoint a successor provided the appointee is also a tax-exempt non profit Islamic Religious Organization.

Article IV: The Trustee

The Founder of this Trust hereby appoint ………….. name of Trustee organization, (preferably national and certainly not related by any connection to the manager/beneficiary) ………….. as a Trustee of this Trust.

The functions of the Trustee shall be to hold the title in trust of all the Trust’s properties and assets, implement the beneficiary duly taken decision in case of sale of the Trust’s assets of any part thereof as mentioned in Article II, appoint a manager beneficiary organization in case the beneficiary ceases to exist without appointing a successor or the appointed successor is not qualified according to this document and follow up on the manager/beneficiary to implement its responsibilities as mentioned in this document. If the manager/beneficiary failed to take necessary action to prevent causing any lien or liability to a third party to be placed on the Trust’s properties or to maintain the property and its market value, including but not limited to payment of utilities and maintenance bills, taxes, insurance, the Trustee may, but not required to pay these expenses and put a first degree lien on all the personal properties, including bank accounts of the manager/beneficiary to collect the amount paid for the properties of the Trust.

The manager/beneficiary organization hereby indemnifies the Trustee, its Directors, Officers and Employees against any and all liabilities. Loss damages, court cost and reasonable expenses including reasonable attorney’s fees incurred or suffered as a result of its function as a Trustee or arising out of any claim or action taken or omitted or suffered in good faith related to its functions as a Trustee of this Trust.

Article V: Amendment

The founder, severally and/or jointly, within the limits of Shari’ah, have full rights to amend, change and/or modify any article of this document, except revoking the Trust, removing any asset from
it, causing any liability on it or using its assets for any purposes other than those mentioned in this Trust.

**Article VI: Separability, Succession and Arbitration**

1. We direct and ordain that if any part of this document is determined invalid by a court of competent jurisdiction, the other parts shall remain valid and enforceable.

2. If .... .... .... beneficiary org. ...... ...... ...... ..... ceases to exist, the Islamic organization that replaces it shall succeed it wherever it is mentioned in this document. If there shall be no successor, any Islamic organization in the state of ........ that is certified by the Islamic Society of North America (ISNA) or by the North American Islamic Trust (NAIT), shall replace .... .... .... .... beneficiary org. ...... ...... ...... ..... or its successor.

3. Should any disagreement, conflict or dispute arises with regard to this Trust, its document, interpretation of its texts and articles, use of its properties, assets and premises and activities undertaken therein, its beneficiaries and/or its management, or any other matter that relates to it in any way or manner, a committee of three, representing the ......beneficiary organization......, ISNA and NAIT, respectively shall be called to solve such dispute. Its decision shall be final and binding to all parties and in all courts.

4. Since this Trust and its document are of public benefit and interest to all members of the Muslim community in ...(county or city)...., any member of this community is in a position to supervise and control the faithful and proper implementation of the texts and spirit of this document.

   Any member of the Muslim community in ......(city or county)......, or ISNA, or NAIT, severally and/or jointly have a right to give a written complaint, with description of the violation, and ask for the committee mentioned above to be formed to consider his/her complaint. The prices of tourist class air tickets and other transportation and accommodation cost for members of the committee who come from outside the area of the Trusts assets shall be born by the complainers and must be deposited with ISNA or NAIT before the committee meeting.

   This document is made in five original copies: one copy for each of ....beneficiary org. founding organization...., the Trustee ............., ISNA and NAIT.
Date ........................

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State of ____________
County of _______________

On __________________________ before me, Monzer Kahf, Notary Public, personally appeared, ______________________________________________________________ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

___________________________
Notary Public Signature

Signatures: Page 6 of 6 Pages