

**RESOLUTION ESTABLISHING THE HOPE CHURCH TRUST AND TRUST BOARD
OF THE UNIVERSITY LUTHERAN CHURCH OF HOPE**

Resolution adopted by congregation on February 7, 1983;
amended February 14, 1988; amended February 4, 2001.

WHEREAS the UNIVERSITY LUTHERAN CHURCH OF HOPE (hereinafter referred to as the "congregation") has been blessed by God with an abundance of gifts, and

WHEREAS there is throughout the community and the world a need for Christian charity and a need for help in matters affecting the Christian welfare of people, and

WHEREAS continued good Christian stewardship of all life's possessions is a charge of the Gospel, and

WHEREAS the congregation has benefactors who would make special gifts to perpetuate the work of the Church for generations to come, and

WHEREAS an effective method of management and distribution of such gifts is desired,

NOW, THEREFORE, in order to establish a permanent Endowment Fund within the congregation to enable the further extension of the of the congregation,

BE IT RESOLVED:

I.

1.1 THE HOPE CHURCH TRUST (hereinafter referred to as THE TRUST) is hereby established and set aside for the purposes herein stated.

1.2 The Endowment Fund shall be perpetually maintained for the purposes hereinafter set out. A Trust Board of seven (7) members is established. It shall receive, manage, and invest the funds, collect the-earnings, make distributions therefrom and pay the expenses which are necessary and related to it. No part of the Endowment Fund shall be expended except as otherwise specifically authorized herein. In its sole discretion the Trust Board shall make distributions for the purposes set out herein.

II.

PURPOSES

2.1 The general purpose of this TRUST is to receive gifts of monies, securities, and other property in the name of the congregation and to determine how such assets and the earnings derived from those assets shall be administered and expended, consistent with Guidelines regarding acceptance of gifts, as recommended from time to time by the Trust Board and adopted by the Board of Commissioners.

2.2 All donations, gifts, contributions, or bequests which are not to be included in the general fund of the congregation will be administered by THE TRUST Board. THE TRUST shall be divided into two accounts, an Endowment Account and a Special Gifts Account.

2.3 All donations, gifts, contributions, and bequests that are undesignated or designated for the Endowment Account will be placed in the Endowment Account (except as provided for in Paragraph 2.5).

2.4 All donations, gifts, contributions and bequests with specific designations other than Endowment Account or general congregational fund will be put in the appropriate Special Gifts Account. Both interest and principal may be distributed from the Special Gifts Account for purposes set forth in Paragraph 2.7. New accounts within the Special Gifts Account shall be established by action of the Board of Commissioners.

2.5 THE TRUST may, at its discretion, have all or a portion of the undesignated donations, gifts, contributions and bequests go directly to a Special Gifts Account or establish an "Undesignated Special Gifts Account" that receives all or a portion of the undesignated donations, gifts, contributions or bequests. These funds may, at the discretion of THE TRUST Board, be shifted to the Endowment Account at a later date or be dispersed for an appropriate expenditure as defined in Paragraph 2.7

2.6 THE TRUST may accept donations, gifts, contributions and bequests which are restricted as to their uses and purposes, provided such restrictions are within the purposes and objectives referred to in this Resolution, and upon any condition not inconsistent herewith; and notwithstanding any other provisions of this Resolution, shall disperse such gifts or any part thereof in accordance with the directions made by any such donor. The Trust Board or the congregation, in the absolute discretion of either, may reject any donation, gift, contribution or bequest offered. The Trust Board may commingle the funds and property of the Endowment Account, Special Gifts Account, and any other funds or property held pursuant to this Resolution and administer such funds as a single fund, so long as the Trust Board's records at all times accurately reflect the receipts and disbursements properly allocable to each account and the property in each fund. The Trust Board shall in no event be required to make physical segregation of the assets of the fund in order to conform to the directions of any individual donors, but may establish separate accounts in the accounting records.

2.7 Distributions from the Endowment Fund.

- (a) Distributions from the Endowment Fund shall be made at such time or times, and in such manner as the Trust Board may determine, only for the uses and purposes of the congregation as set forth herein. Such uses and purposes shall be consistent with the Articles of Incorporation and the Bylaws of the congregation and shall be for purposes other than maintaining or supplementing the general budget of the congregation. Distributions should be made with particular emphasis on enhancing and extending the life and mission of the congregation, which may include support for domestic and foreign missions; scholarships; professional staff for special services; community projects; and, building expansion or improvements (as opposed to routine building maintenance). If a distribution is made for a new program or service of the congregation, distributions for that new program or service shall continue for no longer than three years; after that time the new program or service shall be included within the general budget of the congregation, funded from other sources or abandoned.
- (b) The amount available for distribution from the Endowment Fund shall be determined annually by the Trust Board as follows: The average year-end value of the Endowment Fund for the previous five years shall be calculated. The amount available for distribution shall be five and one-half percent (5.5%) of this average.

2.8 The "Principal" of the Endowment Fund shall be defined as the aggregate of the original values of all gifts made to the Endowment Fund. The Trust Board shall keep an ongoing record of the Principal. The Trust Board may authorize distributions of Principal only upon occasions of extreme financial need by the congregation. Extreme financial need shall be deemed to exist only when the continued existence of the congregation as a body will be immediately threatened because of a lack of operating funds unless such Principal be so distributed. The existence of such extreme financial need shall be determined by the Trust Board and shall require not less than four affirmative votes and shall be ratified by an affirmative vote of not less than two-thirds of the voting members of the congregation present at a specially called meeting for that purpose.

III.

THE HOPE CHURCH TRUST BOARD

3.1 THE HOPE CHURCH TRUST Board (herein referred to as "Trust Board") shall consist of seven (7) members, all of whom shall be voting members of the University Lutheran Church of Hope. Except as herein limited the term of each member shall be four (4) years. Members may serve no more than two consecutive four year terms plus a partial term to fill out a vacancy. After serving the maximum number of terms, a member shall retire from the Trust Board for at least two years before being eligible for election or appointment to an additional term. Terms shall be staggered to avoid electing more than two replacements for regularly retiring members in any year.

3.2 In the event of an interim vacancy of on the Trust Board, the remaining members shall nominate a congregational member to serve the unexpired term. Such vacancy shall be filled by appointment at the next scheduled meeting of the Board of Commissioners or at an earlier special meeting called for the purpose of filling the vacancy.

3.3 The President of the congregation, the Secretary-Treasurer of the congregation and a pastor shall serve as ex officio members of the Trust Board and shall have no vote.

3.4 The Trust Board shall nominate new members for the Trust Board and, with the exception of filling vacancies, supply its slate of nominees to the nominating committee of the congregation. The nominating committee shall then report at the annual meeting in the same manner as it does for other offices or Commissions. Nominations may also be made from the floor. The persons receiving the majority of the votes at the annual meeting shall be elected.

3.5 The Trust Board shall elect from its membership a Chairperson, a Vice-Chairperson, Treasurer and Secretary.

3.6 The Trust Board shall meet at least quarterly at a time fixed by resolution of the Trust Board and more frequently as it may be deemed by it for the best interests of THE TRUST. Special meetings may be called on twenty-four (24) hours written or oral notice to the members of the Trust Board by the Chairperson or any two members. No notice other than recording of the resolution of the Trust Board fixing the time of the regular meetings need be given the members. Each member is charged with knowledge of the contents of the minutes book. Members absent at a prior meeting may ratify action taken at that meeting by filing a written consent, to be kept with the minutes of that meeting.

3.7 A quorum shall consist of four (4) members. The affirmative vote of a majority present and voting shall carry any motion or resolution. No absentee votes shall be permitted.

3.8 The Trust Board shall establish written rules and regulations as may be necessary for the conduct of its business. It shall adopt standards and goals to guide in the expenditure of the distributions from the Endowment Fund which it may amend all within the stated purposes of this TRUST.

3.9 The Trust Board shall maintain accounts in the name of the University Lutheran Church of Hope, HOPE CHURCH TRUST with banks and brokerage firms as it may by resolutions authorize and determine. All checks and other documents transferring or expending any funds or assets in THE TRUST shall be executed by the Treasurer and one other officer, unless otherwise prescribed by the Trust Board.

3.10 The members of the Trust Board, at the expense of THE TRUST, shall provide a fidelity bond in a principal amount to be determined from time to time by the Trust Board. This requirement may be satisfied by inclusion of the Trust Board members in a fidelity bond secured by the congregation for other officers and employees.

3.11 At its discretion the Trust Board may employ at the expense of THE TRUST such professional counseling on investments, fund raising, accounting and legal matters as it deems to be for the best interest of THE TRUST. It is also empowered to employ a corporate trustee to invest assets of THE TRUST under customary agency relationships and to delegate to the corporate trustee in the name of THE HOPE CHURCH TRUST Board, any powers with reference to investments held by the Trust Board.

3.12 The Trust Board shall report in writing to the Board of Commissioners on or before the last day of December, and to each annual meeting of the congregation. The report shall cover the activities and transactions of THE TRUST during the preceding fiscal year. The report shall contain a list of all receipts and disbursements for the period and a list of all assets in THE TRUST as of the end of the period. A report shall be comprehensive and shall contain all information believed by the Trust Board to be important. The report shall be signed by the Chairperson or in his/her absence the Vice-Chairperson and the Treasurer.

3.13 The Trust Board shall maintain complete and accurate books of accounts in accordance with standard accounting procedures and may employ such professional help as it deems necessary in this connection.

3.14 The Secretary shall maintain complete and accurate minutes of all meetings of the Trust Board and supply a copy thereof to each member and ex officio member within ten (10) days after the meeting.

3.15 The Chairperson, and in his/her absence, the Vice-Chairperson, shall preside at all Trust Board meetings.

3.16 No member of the Trust Board shall engage in any self-dealing or transactions with THE TRUST in which the member of the Trust Board has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interest would conflict with the interest of THE TRUST.

3.17 The Trust Board may establish subcommittees as it deems necessary. Ad hoc committee members need not be members of the Trust Board, but shall be members of the congregation. Subcommittees or ad hoc committees may manage and account for portions of the Special Gifts Account that may be delegated to them by the Trust Board.

IV.

POWERS OF THE TRUST BOARD

The Trust Board is hereby authorized to have and exercise in its absolute discretions with reference to THE TRUST for and on behalf of and in the name of the University Lutheran Church of Hope all of the powers set forth in the Minnesota Trustees' Powers Act, Minnesota Statutes Section 501B.79-82, which is hereby incorporated by reference, and shall have in addition the following powers, to wit:

4.1 To receive gifts made to the University Lutheran Church of Hope or THE HOPE CHURCH TRUST to place such gifts in THE TRUST, to receive the income, profits, rents and proceeds of THE TRUST, and to collect and receipt for the same, and pay all administrative and other necessary expenses in connection with it.

4.2 To purchase or otherwise acquire, and to retain, whether originally a part of THE TRUST or subsequently acquired, any and all stocks, bonds, notes, or other securities, or any variety of real or personal property, including stocks or interests in investment trust, and engage in any capacity or form of business organization of any kind or character, as it may deem advisable and for the best interest of THE TRUST and the purposes for which it is established. Investments need not be diversified and may be made or retained with a view to a possible increase in value. The Trust Board may at any time render liquid THE TRUST, in whole or in part, and hold cash or readily marketable securities of little or no yield for such period as it may deem advisable.

4.3 To sell, lease, pledge, mortgage, transfer, exchange, convert, or otherwise dispose of, or grant options with respect to any and all property at any time forming a part of THE TRUST, in such manner, at such time or times, for such purposes, for such prices and upon such terms, credits, and conditions as it may deem advisable. Any lease made by the Trust Board may extend beyond the duration of THE TRUST. Notwithstanding the foregoing, the Trust Board shall not have the authority to buy, sell, or encumber real property unless specifically authorized to do so by the congregation.

4.4 To borrow money for any purpose connected with the protection, preservation, or improvement of THE TRUST whenever in its judgment advisable.

4.5 To vote in person or by general or limited proxy with respect to any shares of stock or other securities held in THE TRUST, to consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution, or liquidation of any corporation in which THE TRUST may have any interest, or to the sale, lease, pledge, or mortgage of any property by or to any such corporation; and to make any payments to take any step which it may deem necessary or proper to enable it to obtain the benefit of any such transaction.

4.6 To hold investments in the name of a nominee.

4.7 To pay, compromise, compound, adjust, submit to arbitration, sell or release any claims or demands related to THE TRUST against others or of others against THE TRUST as it shall deem advisable, including the acceptance of deeds of real property in satisfaction of bonds and mortgages, and to make any payments in connection therewith which it may deem advisable.

4.8 To determine whether and to what extent to maintain reserves for depreciation, obsolescence, and taxes and other liabilities and to make provision therefor.

4.9 Members of the Trust Board shall not receive monetary compensation for services

but shall be reimbursed for any actual and necessary out-of-pocket expenses incurred in relation to THE TRUST.

4.10 To execute and deliver any and all instruments in writing which it may deem advisable to carry out any of the foregoing powers. All documents relating to the transfer or expenditures of any assets of the Endowment Fund or encumbrance thereof shall be signed by the Chairperson or Vice-Chairperson or the Treasurer of the Trust Board

4.11 To retain any business shareholder, security holder, creditors, partner, proprietor, or otherwise, even though it may constitute all or a large portion of THE TRUST, to participate in the conduct of any business and take or delegate to others discretionary power to take any action with respect to its management with an individual could take as owner of the business, including the voting of stock, and the determination of all questions of policy; to execute partnership agreements and amendments thereto, to participate in any incorporation, reorganization, merger, consolidation, recapitalization, liquidation, or dissolution of any business or any change in its nature; to invest additional capital in, subscribe to, or buy additional stock or securities of, or to make secured, unsecured, or subordinated loans of any business without independent investigation; to elect or employ , as directors, officers, employees, or agents of any business, and compensate, any persons including a director, officer, or agent of a trustee; to deal with and act for any business in any capacity; and to sell or liquidate any interest in any business.

V.

AMENDMENT AND DISSOLUTION

5.1 Amendments to this resolution may be made at any congregational meeting by a two-thirds (2/3) vote of the voting members who are present and voting, provided such amendments have been proposed in writing by at least five (5) voting members at a meeting of the congregation held at least ninety (90) days earlier, or provided they have been approved by the Board of Commissioners and submitted by mail to all voting members at least thirty days prior to the meeting at which final action is to be taken.

5.2 Dissolution of the congregation will automatically terminate this TRUST and THE TRUST will upon dissolution be dealt with as any other asset of the University Lutheran Church of Hope as stated in its Articles of Incorporation and Bylaws.

VI.

The Trust Board is empowered to administer and expend such other funds as may be given to the University Lutheran Church of Hope and designated for deposit in THE HOPE CHURCH TRUST.

Under all the powers, authority, restrictions, and for the uses and purposes, all as provided herein.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of February, 2001.

President, University Lutheran Church of Hope

Secretary-Treasurer, University Lutheran Church of Hope