

KING OF KINGS LUTHERAN CHURCH

5501 S.E. THIESSEN ROAD
MILWAUKIE, OREGON 97267

Resolution establishing the King of Kings Lutheran Church Mission Endowment Fund.

Whereas King of Kings Lutheran Church has a living endowment of faithful members with rich gifts and varied talents; now, therefore, in order to establish a permanent Mission Endowment Fund, in which the original corpus will be retained and only such amount of earnings to be determined will be distributed annually;

Be It Resolved;

That the membership of King of Kings Lutheran Church establish a Mission Endowment Fund to be known as the "King of Kings Lutheran Church Mission Endowment Fund," (herein referred to as Mission Endowment Fund or MEF) to receive and administer bequests, estates, insurance, memorials and other assets. And,

Be It Further Resolved;

That the efforts of King of Kings Lutheran Church in establishing the Mission Endowment Fund be dedicated to the Glory of Almighty God. And that the mission statement be as follows: In gratitude for all we have and continue to receive from a gracious God, the Mission Endowment Fund be established. Its purpose is to receive special gifts and bequests to enhance and expand outreach ministry, as well as new spiritual, educational, and stewardship opportunities of King of Kings Lutheran Church, apart from the general operation of the congregation. And,

Be It Further Resolved;

That the Mission Endowment Board shall be the Custodian of the Mission Endowment Fund.

Now, therefore, in order to carry out the purposes of the Mission Endowment Fund and to enable the further extension and stewardship work of our church,

Be It Further Resolved;

I. THE MISSION ENDOWMENT BOARD

1. The Mission Endowment Board (MEB) shall consist of five (5) members, all of whom shall be voting members of King of Kings Lutheran Church. Except as herein limited, the term of each member shall be three (3) years. After the adoption of this resolution by the Congregation, it shall elect five (5) members to the Mission Endowment Board: two (2) for a term of three (3) years; two for a term of two (2) years and one (1) for a term of one (1) year. Thereafter at each annual meeting the Congregation shall elect the necessary number of members for a term of three (3) years. No member shall serve more than two consecutive terms. A partial term shall not be counted for this purpose. A former Mission Endowment Board member may be re-elected after a lapse of twelve (12) months between his/her election for a third term and the completion of his/her second term.

2. In the event of a vacancy on the Mission Endowment Board, the remaining members, by the affirmative vote of three (3), shall forthwith elect a member to fill the vacancy until the next annual meeting of the Congregation, at which time the Congregation shall elect a member to fill the vacancy. In the event the vacancy is not filled within forty-five (45) days after it occurs, the Congregation shall fill it at a special meeting called for that purpose.

Adopted at Congregational Meeting August 4, 2002
Amended at Congregational Meeting January 31, 2010

3. The Nominating Committee of the Congregation shall nominate members for this Mission Endowment Board and report at the annual meeting in the same manner as it does for other offices or committees. The person receiving the greater number of affirmative votes at the annual meeting shall be elected.

4. All Mission Endowment Board members shall endeavor to maintain a high degree of communications with the Church Council, other organizations within the church, and members of the Congregation to nurture the total life and mission of the Church and of the Fund. Each Mission Endowment Board member must be a member in good standing of King of Kings Lutheran Church. Currently serving members of the Church Council may not be elected to the Board. The senior Pastor of the Congregation will be an ex-officio, non-voting member of the Mission Endowment Board.

5. The Mission Endowment Board shall elect from its membership a chairperson, treasurer and secretary.

6. The Mission Endowment Board shall meet at least once a month at a time fixed by resolution of the MEB and more frequently as it may be deemed by it for the best interests of the Mission Endowment Fund. The Mission Endowment Board when it deems it unnecessary to hold a particular monthly meeting may by resolution cancel a meeting. Special meetings may be called on twenty-four (24) hours written or oral notice to the members of the Mission Endowment Board by the chairperson or any two members. No notice other than recording of the resolution of the board fixing the time of the regular meetings need be given the members. Each member is charged with knowledge of the contents of the minute book. If all members are present, consent in writing to the minutes by a member of the Mission Endowment Board shall constitute his/her approval of the action reflected in the minutes and taken at the meeting and shall have the same force and effect as though he/she had been present and voting at the meeting reflected by the minutes.

7. A quorum shall consist of three (3) members. The affirmative vote of a majority present and voting shall carry any motion or resolution.

8. The Mission Endowment Board shall establish written policies and regulations as may be necessary for the conduct of its business. It shall adopt standards and goals to guide in the expenditure of distributable funds from the Mission Endowment Fund, which it may amend all within the stated purposes of the MEF. All policies and regulations shall be consistent with State and Federal law.

9. The Mission Endowment Board shall maintain accounts with such financial institutions as it may, by resolution, authorize and determine. The Treasurer and either the Chairperson or Secretary of the MEB shall execute all checks and other documents transferring or expending any funds or assets in the Mission Endowment Fund. All Mission Endowment funds and property shall be kept and maintained, separate, distinct, and independent from the funds and property otherwise belonging to King of Kings Lutheran Church.

10. Any member of the Mission Endowment Board with check signing authority, at the expense of the Fund, may provide a corporate fidelity bond in a principal amount. The amount and need to be determined from time to time by the MEB.

11. The Mission Endowment Board may ask other members of the Congregation to serve as advisory members and may employ, at the expense of the Mission Endowment Fund income, such professional counseling on investments and legal matters as it deems to be for the best interest of the Mission Endowment Fund.

12. The Mission Endowment Board shall maintain complete and accurate books of accounts and may employ such professional help as it deems necessary in this connection. The books if sizable, may be audited annually by a certified public accountant in time so that such audit report will be on file at the time of the annual meeting of the Congregation.

13. The Mission Endowment Board shall maintain records of receipts and shall maintain confidentiality of any gift if the donor desires confidentiality.

14. The Secretary shall maintain complete and accurate minutes of all meetings of the MEB and supply a copy thereof to each member within fourteen (14) days after the meeting. A complete set of minutes shall be maintained at the church office.

15. The Chairperson, or member designated by the Chairperson, shall preside at all Mission Endowment Board meetings.

16. No Member of the Mission Endowment Board shall engage in any self dealing or transactions with the Mission Endowment Fund, in which a member of the MEB has direct or indirect financial interest, and shall at times refrain from any conduct in which his/her personal interests would conflict with the interests of the Mission Endowment Fund.

II. MISSION ENDOWMENT BOARD POWERS - Mission Development

1. The Mission Endowment Board shall investigate ways in which the MEF can be invested and present this information in the form of general investment guidelines and/or investment policy to the Congregation at the annual meeting, and at additional special meetings as needed. The MEB shall also provide the Congregation with a Statement of Assets of the MEB on an annual basis. Members of the Congregation may make written suggestions to the MEB.

2. The Congregation at the annual meeting and at additional special meetings as needed, shall approve by majority vote the investment guidelines and/or policy presented by the MEB. Thereupon, the MEB shall carry out the decisions of the Congregation.

3. The Mission Endowment Board shall present Guidelines for Mission Distribution to the Congregation for approval at least annually, at the annual meeting or at additional meetings held for this purpose.

4. The Congregation at the annual meeting and at additional special meetings as needed, shall approve by majority vote the Guidelines for Mission Distribution presented by the Mission Endowment Board. Thereupon, the MEB shall carry out the decision of the Congregation.

5. The Mission Endowment Board shall investigate ways in which a portion of the principal growth (capital gains being treated as income) can be distributed without invading the original corpus, within the guidelines for Mission Distribution, and present a report of funds disbursed, to the Congregation at the annual meeting and at additional special meetings as needed. Members of the Congregation may make written suggestions to the Board regarding future distributions.

6. The Mission Endowment Board may receive funds, acceptable to them, through gifts, memorials, bequests, estates, etc. from any individual, corporation or organization or from any other source, in cash or in other property. All Mission Endowment funds and property shall be kept and maintained, separate, distinct, and independent from the funds and property otherwise belonging to King of Kings Lutheran Church.

7. The Mission Endowment Board shall in no event be required to make physical segregation of the assets of the Mission Endowment Fund in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records.

8. The MEB shall periodically inform the members of the Congregation of the purposes of the Fund, and may arrange for members of the Congregation to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.

9. The Mission Endowment Board shall provide all new members of the Congregation with a copy of this Mission Endowment Fund document, in order for them to become acquainted with the functions and the purposes of the MEF.

III. MISSION ENDOWMENT BOARD POWERS - Asset Management

The Mission Endowment Board is hereby authorized to have and exercise on behalf of King of Kings Lutheran Church the following:

1. The Property constituting the corpus of the Mission Endowment Fund shall be invested and reinvested in any kind of property (whether real or personal, tangible or intangible, and/or domestic or foreign), including, but not limited to, stocks, bonds, other securities, real estate, oil, gas, and other natural resources and/or accounts or certificates of banks or other lending institutions, and each investment shall be managed and protected in accordance with the principles herein established. In exercising the authority granted in this section, the decisions with respect to investments shall be guided by the concept of a prudent investor whose investment purpose includes both income and capital appreciation and shall not otherwise be restricted by any law, rule or custom (1) requiring safety of corpus as a primary consideration, (2) regarding investment in income producing property, and (3) requiring diversification of investments. In amplification, but not limitation, of the foregoing, authority is granted:

A. to acquire interests in property by purchase, lease, rental or other method; to sell, option, exchange, redeem or convert any property interests; and to rent or lease property of the Mission Endowment fund;

B. to exercise all rights and privileges accruing to a holder of securities, including all voting, conversion, subscription and pre-emptive rights; to deposit any securities with delegate discretionary power to, and participate, cooperate and contract with, as a member or otherwise, any protective committee or security holders; and to effectuate any merger, consolidation, dissolution, reorganization or financial adjustment or the issuer of any securities and/or any transfer, demise, or encumbrance of any of its properties;

C. to manage and/or develop any real property owned, leased or otherwise held by the fund; to erect, repair, remodel, reconstruct, demolish or remove buildings or other improvements on it; to partition or subdivide it; to dedicate all or any part of it to public or semipublic use, and to grant easement or other charges with respect to it;

D. to abandon any property interest deemed worthless or of insignificant value;

E. to borrow money, to encumber property of the MEF and to repay any loan due to the Mission Endowment Fund;

F. to foreclose any mortgage, lien, or other encumbrance, and to purchase the encumbered property, whether through foreclosure or private arrangement;

G. to establish and maintain out of income, depreciation, depletion and/or amortization reserves;

H. to maintain a portion of all of the property constituting the Mission Endowment Fund in liquid or nearly liquid form, even though little or no income is earned thereon;

I. to use income for any purpose of the MEF and with respect to any property of the MEF (irrespective of the income, if any, it produces) even if such funds are derived from the sale of income from other property of the MEF or from a loan (from income or an outside source) using such other property as security. Capital gains may be used as income at the discretion of the Mission Endowment Board.

2. Without limiting the authority otherwise conferred, the following additional authority is hereby granted to be exercised as is believed to be in the best interest of the Mission Endowment Fund:

A. to accept and receipt for any inter vivo, testamentary or other transfer of property to the MEF;

B. to hold property, and to negotiate and execute documents on behalf of the Mission Endowment Fund, in the name of the fund or in the name of a nominee(s) without disclosing any fiduciary relationship;

C. to allocate between income and corpus (in cases where reasonable doubt of the applicable law exists) in equitable proportions, and money or other property received, and any loss or expenditure incurred;

D. to vote, or refrain from voting, securities having privileges, and to give any type of proxy (with or without voting directions) to vote the same;

E. to make division and distribution of property held in the MEF (whenever directed to do so) either in kind or in cash, or partly in kind and partly in cash and for such purpose to set values upon any property of the Mission Endowment Fund;

F. to protect the MEF and its property by insurance against damage, loss or liability;

G. to establish checking account(s) in which may be deposited income and/or corpus cash;

H. to employ and reasonably compensate from the Mission Endowment Fund income, accountants, agents, and attorneys to assist and advise in the execution of the Mission Endowment fund, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed;

I. to exclude the Mission Endowment Fund Board from liability for any losses which may be incurred upon investments of the Mission Endowment Fund except to the extent that such losses shall have been caused by bad faith or gross negligence of the Board members. No member shall be personally liable as long as he or she acts in good faith and with ordinary prudence in discharging the duties of the office. Each Board member shall be liable only for his or her own willful misconduct or omissions in bad faith. No Board members shall be liable for the acts or omissions of any other Board member, or of any accountant, agent, attorney or custodian selected with reasonable care.

J. to reimburse the Mission Endowment Fund Board members from income, of the Mission Endowment Fund, for expenses reasonably incurred. The Mission Endowment Fund members shall not receive any compensation.

IV. THE CONGREGATION OF KING OF KINGS LUTHERAN CHURCH

1. The Congregation at the annual meeting, shall approve by majority vote the investment guidelines and/or policy, presented by the Mission Endowment Board, and shall also receive a statement of all funds invested and disbursed of Mission Endowment Fund at each meeting of the Congregation called for this purpose.

2. The Congregation at the annual meeting shall approve by majority vote the Guidelines for Mission Distribution presented by the Mission Endowment Board, the proposed future uses (if necessary) of distributable funds, and shall review these at each meeting of the Congregation called for this purpose.

3. This Mission Endowment Fund resolution may not be altered or amended except by a two-thirds (2/3) vote of the members present at an annual meeting of the Congregation, or at a special meeting called specifically for the purpose of amending this resolution.

V. PURPOSES - Distribution of Funds

1. Ten percent (10%) of the value of all gifts received by the Mission Endowment Fund shall be immediately tithed to the Oregon Synod Mission Endowment Fund.

2. The purpose of the Mission Endowment Fund is to provide annual distributions beyond the operating budget of this congregation to ministry expressions as stated below:

A. Up to 40% of the annual distribution for support of congregational members seeking seminary scholarships or higher education scholarships or seeking support for involvement in local, national or global ministries;

B. Up to 30% of the annual distribution for special projects within the local area of the King of Kings congregation;

C. Up to 50% of the annual distribution for special ministries within the Oregon Synod of the ELCA and/or the churchwide ministries of the ELCA; and,

D. Up to 20% of the annual distribution for extraordinary programs, ministry initiatives and or capital improvement within the congregation.

3. In extraordinary circumstances, the MEB may decide to distribute funds in any one year in a percentage greater than those shown in paragraph V (2) above if submitted to and approved by a congregational vote conducted in accordance with paragraph IV (3).

4. (1/31/2010) The Mission Endowment Fund will begin making annual distributions once the MEF value reaches \$10,000.00. Annual distributions may include interest and dividends received, realized gains, and/or unrealized gains. If the MEF exceeds \$500,000.00 in value, each annual distribution may include a five percent (5%) distribution of the Fund corpus.

5. Should the Mission Endowment Board determine that the congregation is in dire need of the assets in the Fund or has an emergency of such nature that the future of the congregation is at stake, and the **only** recourse is to use the Fund assets, the MEB may, upon a two-thirds majority vote, recommend such authorizing action to the congregational council for recommendation to the congregation. The congregation must then approve such use by a two-thirds majority vote at a properly called congregational meeting.

6. Gifts such as bequests, life insurance proceeds and remainders from life income agreements, received by the congregation that are otherwise undesignated shall be automatically placed in the Mission Endowment Fund.

VI. TAX EXEMPTIONS

1. Any gifts given to the King of Kings Lutheran Church Mission Endowment Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes with Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law. This Mission Endowment Fund is created and shall be operated exclusively for church purposes. No part of the income or property of this Fund shall inure to the benefit of or be distributable to any member, director or officer of the church or to any other private person, except that the Mission Endowment Board is authorized and empowered to pay reasonable compensation for services set forth herein. No part of the activities of the Mission Endowment Fund shall be the carrying on of propaganda or otherwise in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the Mission Endowment Fund shall (a) not carry on any activities not permitted to be carried on by an entity exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law or (b) do any act which would render contributions to the Mission Endowment Fund non-deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

2. This Mission Endowment Fund may be dissolved in accordance with the laws of the State of Oregon. Upon dissolution of this Mission Endowment fund, and after repayment of all liabilities, obligations, cost and expenses incurred by this Fund, any remaining assets shall be distributed to such entities organized and operated exclusively for one or more purposes described in Sections 170 (c) (2) and 501 (c) (3) or the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law, with specific consideration given to the Oregon Synod Endowment Fund, the Lutheran Community Services Northwest Foundation and the ELCA Foundation.

3. The Mission Endowment Fund shall be administered in compliance with Oregon Revised Statute chapter 128.310-128.355. In the event of any inconsistency between this resolution and the statute, the State statute shall control.