

CHARITY LUTHERAN CHURCH - CONSTITUTION

PREAMBLE

In the name of the Father, and of the Son, and of the Holy Spirit. Amen. Created in God's Image, redeemed by His Son, empowered by His Holy Spirit, the congregation is called to:

- Proclaim the Gospel of Jesus Christ (Matthew 28:19-20)
- Administer the Sacraments (Mark 14:22-25)
- Study the Scriptures (Ephesians 4:11-16)
- Instruct the youth and provide for their spiritual welfare (Matthew 19:13-14)
- Witness to the community, nation, and world (II Timothy 2:15, Acts 1:18)
- Support one another in prayer (James 5:16)
- Help those in need (I John 3:17)
- And practice responsible stewardship (I Peter 4:10-11)

ARTICLE I - NAME

The congregation's name is Charity Lutheran Church, incorporated as a nonprofit corporation under the laws of the State of North Dakota.

ARTICLE II - CONFESSION OF FAITH AND ACCEPTANCE OF DOCUMENTS

The congregation confesses faith in the Triune God - Father, Son, and Holy Spirit;

In the Father, the creator and sustainer of the universe;

In the Son, Jesus Christ our Lord and Savior who died and rose again for the redemption of a fallen humanity; and

In the Spirit, who calls, gathers, enlightens and sanctifies the Christian church and preserves it in union with Jesus Christ in the faith.

The congregation further accepts the canonical scripture of the Old and New Testaments as the divinely inspired, revealed, and inerrant Word of God and the only infallible authority in all matters of faith and life. As brief and true statements of the doctrine of the Word of God, the congregation accepts the following: The Apostolic, the Nicene, and the Athanasian Creeds; the Unaltered Augsburg Confession; Luther's Small Catechism; and the Book of Concord of 1580.

ARTICLE III - SYNOD AFFILIATION

The congregation is a member of the Lutheran Congregations in Mission for Christ (LCMC) and is subject to its policies and disciplines. To sever membership in the LCMC, a two-thirds majority vote is required of a quorum of the voting disciples present and voting at a Voter's Assembly. To become effective, the decision to sever must be ratified by a two-thirds majority vote of a quorum of the voting disciples present and voting at a Voter's Assembly held at least ninety days after the initial vote was taken. To join another synod, the same procedure will be followed.

ARTICLE IV - DISCIPLESHIP (MEMBERSHIP)

As identified in the bylaws, disciples of the congregation are those individuals who accept and abide by its constitution and bylaws.

Disciples will consider it a privilege and duty to use the means of grace, both Word and sacraments, to live a Christian life in accordance with the Word of God and the teachings of the Lutheran Church, and to support the work of Lutheran Congregations in Mission for Christ.

ARTICLE V - AUTHORITY

In all matters of Christian faith and life, the authority of the Word of God is supreme. In the administration of all other affairs, the congregation is governed by its constitution, bylaws, and decisions of the Voter's Assembly. For the purposes of this constitution, a quorum is fifteen per cent of the voting disciples.

ARTICLE VI - PASTORS

Only individuals who accept and pledge faithful adherence to the confessions of the congregation as set forth in the Preamble and Article II of this Constitution and are clergy of, and/or recommended for consideration by the Lutheran Congregations in Mission for Christ, can be called to serve as pastors of the congregation.

ARTICLE VII - MINISTRIES

All ministries within the congregation are to be established as provided for in the constitution and bylaws. The pastor(s) by virtue of his or her pastoral duties will be the advisor(s) for all ministries.

ARTICLE VIII - LEGAL OWNERSHIP

All property that is acquired by the congregation will be held, owned, and titled in the name of the congregation. The congregation's real property will not be purchased, disposed of, or encumbered in any manner except as approved by a two-thirds majority vote of a quorum of the voting disciples present and voting at a Voter's Assembly.

To terminate the congregation's existence, a two-thirds majority vote of a quorum of the voting disciples present and voting at a Voter's Assembly is required. Should the congregation disband, title to its land and other estates, real and personal, must be used for charitable purposes as directed by a two-thirds majority vote of a quorum of the voting disciples present and voting at a Voter's Assembly.

ARTICLE IX - THE CHARITY LUTHERAN TRUST FUND

In the congregation's bylaws, a Charity Lutheran Church Trust Fund will be established. It will be in addition to and separate from the general operations of the congregation and used to enhance the mission and vision of the congregation by supporting existing ministries, establishing new ministries, and providing stewardship opportunities. Its administration will be in accordance with the bylaws and it will be accountable directly to the congregation through the Voter's Assembly.

ARTICLE X - AMENDMENTS TO CONSTITUTION

The doctrinal basis and confessional subscription contained in Article II of the constitution are unalterable.

The congregation must be notified of any proposed amendments to the constitution by mail and an announcement at each Sunday worship service not less than four consecutive weeks prior to their consideration at a Voter's Assembly. The amendments must be approved, with or without change, by a two-thirds majority vote of a quorum of the voting disciples present and voting at the Voter's Assembly. To become effective and without change, it must be ratified by a two-thirds majority vote of a quorum of the voting disciples present and voting at a Voter's Assembly held at least ninety days after the initial vote was taken. If the proposed amendments fail, they may be amended by a majority vote of those present and voting; and ratified, without change, by a two-thirds majority vote of a quorum of the voting disciples present and voting at a Voter's Assembly held no sooner than six months later.

ARTICLE XI - BYLAWS AND AMENDMENTS

The congregation will adopt and amend bylaws as allowed by this article. The congregation must be notified of any proposed amendments to the bylaws by mail and an announcement at each Sunday worship service not less than four consecutive weeks prior to their consideration at a Voter's Assembly. They must be approved, with or without change, by a two-thirds majority vote of a quorum of the voting disciples present and voting at the Voter's Assembly.

CHARITY LUTHERAN CHURCH - BYLAWS

ARTICLE I - DEFINITIONS

Congregation: The body of people consisting of those individuals received as disciples (members) of Charity Lutheran Church according to Article IV of these bylaws.

Confirmed Disciple: An individual received into the fellowship of the congregation according to Article IV, Section 2, of these bylaws.

Disciple (member): An individual received into the fellowship of the congregation according to Article IV of these bylaws.

Disciple (in good standing): An individual participating in Holy Communion; contributing financially to the congregation; and participating in the life and worship of the congregation.

Ministry Teams:

- Core Ministry Teams - teams, which are long-term and essential to the congregation's mission, vision, and values.
- Ministry Teams - teams, which exist for the life of a specific ministry that complements the congregation's mission, vision, and values.

Pastors: Individuals qualified according to Article VI of the constitution and called according to Article VI of these bylaws.

Staff: Individuals, who are not clergy, who are employees of the corporation.

Vision Council: Seven disciples of the congregation, at least 18 years of age, elected by a Voter's Assembly according to Article VIII of these bylaws. In addition to the seven voting members, the Vision Council will include a treasurer and the administrative pastor as non-voting ex-officio members.

Voter's Assembly: A meeting of the voting disciples of the congregation.

Voting Disciple: An individual who is a confirmed disciple and who is in good standing.

ARTICLE II - PRINCIPLES

The mission, vision, and values of the congregation are embodied in the Preamble and Article II of the constitution and in the following principles:

Section 1. Congregational Prophecy

"You are My oak, My terebinth, planted for these days."

Section 2. Motto

Charity- A Shelter in Christ transforming lives.

Section 3. Mission Statement

Charity is a shelter in Jesus Christ welcoming all into faith and fellowship, and preparing disciples for meaningful service in the world through the transforming work of the Holy Spirit in their lives.

Section 4. Vision Statement

Charity is a place for healing where changed lives are gifted and empowered by the Holy Spirit and released to serve in the community for the glory of Christ.

ARTICLE III - ORGANIZATION

Section 1. Powers of the Congregation

The powers of the congregation are vested in decisions of the Voter's Assembly made in accordance with the constitution and bylaws.

Section 2. Vision Council and The Charity Lutheran Trust Fund

Only such authority of the Vision Council and the Committee for the Trust Fund (as provided for in Article XIII of these bylaws) is recognized, as delegated to them in the constitution, bylaws, and decisions of the Voter's Assembly.

Section 3. Quorum and Voting

Unless otherwise specified in the constitution and bylaws, a quorum for a Voter's Assembly will consist of ten percent of the congregation's voting disciples. No voting disciple may cast a vote by proxy. Unless otherwise specified in the constitution or bylaws, a quorum of the voting disciples present and voting at a Voter's Assembly will decide all motions presented by a simple majority vote. Robert's Rules of Order will govern all meetings of the Voter's Assembly, the Vision Council, and the Committee for the Trust Fund.

ARTICLE IV - DISCIPLESHIP (MEMBERSHIP)

Section 1. Admission of Baptized Disciples

Children, one, or both of whose parents or guardians are disciples (members) of the congregation, will be received as disciples of the congregation upon receiving Christian baptism (as a duly recorded ministerial act performed under the auspices of the congregation).

Children, whose parents or guardians are not disciples of the congregation, will be received as baptized disciples upon receiving a Christian baptism (as a duly recorded ministerial act performed under the auspices of the congregation). If, for good reason, they are to be enrolled as baptized disciples of another congregation, notice of the baptism will be sent to that congregation.

Children, who have received a Christian baptism in another congregation, will be received as baptized disciples of the congregation upon admission of one or both parents or guardians to discipleship, or by consent of one or both parents or guardians, or by decision of the Vision Council.

Adults, not having been baptized, will be received as baptized disciples of the congregation when they have received instruction, given evidence of having an adequate understanding and acceptance of the teachings of the Word of God as confessed by the congregation in its constitution and bylaws, confessed their faith, and received Christian baptism (as a duly recorded ministerial act performed under the auspices of the congregation).

Section 2. Admission of Confirmed Disciples

Applicants for discipleship, presenting a letter of transfer showing them to be confirmed disciples in good standing in another Lutheran congregation, will be admitted to confirmed discipleship upon acceptance of their letter of transfer by the Vision Council and submission of their names to the congregation.

Applicants for discipleship, without a letter of transfer who present evidence of confirmation in a Lutheran congregation will be admitted to confirmed discipleship upon acceptance by the Vision Council and submission of their names to the congregation.

Baptized adults, not previously confirmed disciples of a Lutheran congregation, will be received as confirmed disciples of the congregation after having received instruction, given evidence of adequate understanding of the teachings of the Word of God as confessed by the congregation in its constitution and bylaws, and having publicly affirmed their faith.

Adults, received as baptized disciples according to the provisions of Section 1 of this Article, will be received as confirmed disciples, upon recommendation of the pastor, by the Vision Council and submission of their

names to the congregation whether or not they have participated in the rite of confirmation (affirmation of baptism) or appropriate spiritual instruction.

Children, who are baptized disciples of the congregation, will be admitted to confirmed discipleship through participation in the rite of confirmation (affirmation of baptism) or appropriate spiritual instruction.

Section 3. Voting Disciples

The Vision Council will maintain a current roster of the congregation's confirmed voting disciples, which are disciples "in good standing" in accordance with the provisions of the constitution and bylaws. The roster will be available at all meetings of the Voter's Assembly.

Section 4. Associate Disciples

Associate disciples are those individuals having a discipleship (membership) in another Christian congregation, who wish to retain such standing and yet desire to participate in the life, mission, and vision of this congregation. They may become disciples "in good standing" of this congregation except for having the right to vote and to hold an elected office in the congregation.

Section 5. Discontinuance of Discipleship

Disciples, who move to another community, will be encouraged to transfer their discipleship to a congregation in their new location. Confirmed disciples, who are in good standing and desiring to change discipleship to another congregation, will be given a letter of transfer upon request.

Confirmed disciples, not "in good standing" will be visited by a pastor and/or appropriately appointed disciples of the congregation to encourage them to active discipleship. If, during the second year these disciples remain unresponsive, their names will be removed from the disciples "in good standing" roster of the congregation. For one additional year, they will be retained on a list of those individuals who are in special need of the congregation's prayer and concern.

Disciples, unable to maintain "in good standing" status because of physical or mental incapacity, will be given special consideration.

Disciples, as determined by the Vision Council who have resigned (clearly in a verbal manner or in writing), been dismissed, transferred to another congregation by letter of transfer, or who are known to have become disciples of another congregation without having requested a letter of transfer, will have surrendered all discipleship rights in this congregation.

The applicable sections of this Article will govern the reactivation of individuals into discipleship.

ARTICLE V - COMMUNION PARTICIPATION

The congregation will regularly provide Holy Communion to its disciples. Participation in Holy Communion will be open to all who accept Jesus Christ as Lord and Savior. It will be made known to prospective participants that the belief of the congregation is:

Participation in the Lord's Supper is the reception of "the body and blood of our Lord Jesus Christ given with bread and wine, instituted by Christ himself for us to eat and drink." We hold that a person is well prepared and worthy who believes these words, "given and shed for you for the remission of sins." Anyone who does not believe these words or doubts them is neither prepared nor worthy, for the words "for you" require simply a believing heart.

The congregation will maintain a record of a disciple's participation in Holy Communion as one of the requirements to maintain a disciple "in good standing" status.

ARTICLE VI - PASTORAL CALL

The president of the Vision Council, within seven days of the occurrence of a pastoral vacancy or within a reasonable time of receiving notice of an impending pastoral vacancy will call for a special meeting of the Vision Council. It will select from the congregation at large not less than five or more than seven voting

disciples to serve on a Call Committee. The Call Committee will review the pastoral staffing needs of the congregation, identify and interview pastoral candidates and make its recommendation to the Vision Council and to a meeting of the Voter's Assembly as to the issuance of a Letter of Call. The Call Committee's duties will end upon acceptance of the Letter of Call or other determination by the Voter's Assembly.

At a meeting of the Voter's Assembly called for that purpose, a two-thirds vote by a quorum of the voting disciples present and voting is required to approve a Letter of Call to a pastor.

A pastor accepting the congregation's Letter of Call will be loyal and faithful to the Word of God and the congregation's constitution and bylaws. The Vision Council, or its designees, will conduct an annual evaluation of each pastor called to serve the congregation.

If a pastor of the congregation receives a Letter of Call from another congregation, he or she will notify the Vision Council within two days of receiving the call and before arriving at their decision.

At a meeting of the Voter's Assembly scheduled for that purpose, a two-thirds vote by a quorum of the voting disciples present and voting is required to request a pastor's resignation. If approved, the pastor will vacate his or her position at the time specified by the congregation's decision. For the purpose of this paragraph, a quorum is fifteen per cent.

In the absence of a pastor, through a vacancy or other reason, the Vision Council of the congregation may secure the services of a pastor who is qualified according to the constitution and bylaws to perform pastoral duties.

ARTICLE VII - VOTER'S ASSEMBLY

Section 1. Meetings

Within four weeks prior to or after the beginning of the congregation's fiscal year, the Vision Council will annually call a meeting of the Voter's Assembly at which time the Vision Council will submit for approval a budget for the congregation's fiscal year and any other matters to be brought to the attention of the congregation. The congregation must be notified of the annual meeting by mail and an announcement at each Sunday worship service not less than four consecutive weeks prior to it being held.

The president of the Vision Council, any three of its members, a Pastor, or ten qualified voting disciples of the congregation may call a special meeting of the Voter's Assembly. The purpose of the special meeting must be disclosed in all notifications made to the congregation and no other business may be transacted during the meeting except on that for which the meeting was called. The congregation must be notified by mail and an announcement at Sunday worship not less than two weeks prior to a special meeting of the Voter's Assembly.

Section 2. Order of Business

All annual and special meetings of the Voter's Assembly will follow the order prescribed below through item number six. For the annual meeting, the remaining order may vary. For special meetings of the Voter's Assembly, the business for which the meeting was called will then be considered.

1. Call to Order
2. Scripture reading and prayer
3. Appointment of parliamentarian and declaration of a quorum
4. Acknowledgment of new disciples qualified to vote
5. Approval of minutes of previous meeting
6. Treasurer's report
7. State of congregation report by President of Vision Council
8. Report by pastor(s)
9. Special reports
10. Unfinished business
11. New business
12. Adjournment

ARTICLE VIII - ELECTIONS

Section 1. Nomination Procedure

The nominating committee will consist of five voting disciples with two chosen annually by the Vision Council, and three elected annually at a meeting of the Voter's Assembly. They will serve for one fiscal year for the purpose of nominating qualified confirmed disciples for full or partial terms on the Vision Council, the Committee for the Charity Lutheran Trust Fund, and the succeeding fiscal year's nominating committee. A pastor will serve as convener and advisor.

The nominating committee will consider the gifts of each qualified confirmed disciple and notify the congregation of the names of the nominees chosen. The notification must be made not less than three weeks prior to the Voter's Assembly at which the election will be held. All elections will be conducted at either an annual or special meeting of the Voter's Assembly called for that purpose.

Following the notification to the disciples of the congregation, any qualified voting disciple may submit to the nominating committee additional names of qualified confirmed disciples "in good standing" to be placed into nomination. This must occur a minimum of two weeks prior to the Voter's Assembly at which the election will be held. The nominating committee, in prayer and consultation with the pastor(s), will consider the confirmed disciple's participation in the life and worship of the congregation, his or her conformance to the guidelines established by the nominating committee, and his or her willingness to serve. The congregation must be notified of any additional nominees not less than one week prior to the Voter's Assembly at which the election will be held.

Section 2. Election Procedure

At the annual meeting of the Voter's Assembly, the nominated candidates receiving the highest number of votes will be considered elected to the applicable positions on the Vision Council, the Committee for the Charity Lutheran Trust Fund, and the nominating committee. Elections will be conducted by a written ballot unless a quorum of the voting disciples present approve a motion for a unanimous ballot in the event the candidates nominated do not exceed the number of positions to be filled.

Section 3. Installation

Confirmed disciples newly elected to a full term on the Vision Council, the Committee for the Charity Lutheran Trust Fund, and the nominating committee will be installed during a worship service the first Sunday following their election. A confirmed disciple elected to a partial term will be installed during a worship service the first Sunday after his or her election.

ARTICLE IX - VISION COUNCIL

Section 1. Purpose:

The Vision Council is called and elected to promote and advance the mission and vision of the congregation as embodied in the constitution and bylaws of the congregation and to implement the expressed will of the congregation in decisions made by a Voter's Assembly. With the guidance of the Holy Spirit, it will endeavor to coordinate and liberate the ministries of the congregation for the total furtherance of the work of Christ's Kingdom.

Section 2. Term of Office

The term of each position on the Vision Council is three years terminating at the installation of a successor. However, at the first meeting of the Voter's Assembly held after the adoption of these bylaws, two positions will be elected for a term of one year, two positions for a term of two years, and three positions for a term of three years. At the completion of each of these initial terms, successors will be elected to terms of three years. A voting disciple may not serve more than two consecutive three-year terms with a partial term not counting towards the two-term limit.

Section 3. Organization: During the first meeting after the annual meeting of the Voter's Assembly and the installation of new members, the Vision Council will elect from within its membership a President, Vice President, and a Secretary. As determined by the Vision Council, it will assign portfolios to its members as needed to facilitate communication with core ministry teams.

Section 4. Officers

The president of the Vision Council will preside at all meetings of the Voter's Assembly and Vision Council. In the absence of the president, the vice president will preside.

The secretary, with an assistant chosen by the Vision Council, is responsible for congregational records and recording the minutes of all meetings of the Vision Council and Voter's Assembly.

The Vision Council will appoint a treasurer from outside its membership. The treasurer will serve as a non-voting ex-officio member of the Vision Council. Following accepted accounting principles, the treasurer will be responsible for the oversight and maintenance of all financial records of the congregation and to perform other duties as defined in the position's job description or in these bylaws.

The administrative pastor, or his or her designee, will serve as a non-voting ex officio advisor to the Vision Council.

Section 5. Meetings

The Vision Council will meet at least once a month. As additionally needed, the president or any three members of the Vision Council may call a special meeting. To make official decisions, a quorum is five members physically present or participating by a telecommunication device.

Section 6. President's Report and Finance Committee

The president will present a state of the congregation report at the annual meeting of the Voter's Assembly. The Vision Council will annually appoint a Finance Committee consisting of at least two qualified confirmed disciples of the congregation, other than the treasurer, to review the financial records of the congregation. The report of the Finance Committee will be submitted to the annual meeting of the Voter's Assembly. As may be needed the Vision Council can also request a formal audit conducted by a Certified Public Accounting firm.

Section 7. Vacancies

If after prayerful consideration any member of the Vision Council is unable to fulfill his or her commitment to their position, they are to submit their resignation. If a member is absent three or more consecutive meetings without a reasonable explanation, the remaining members of the Vision Council may declare the position vacant.

If a vacancy occurs on the Vision Council for any reason, the nominating committee will follow the procedures in Section 1 of this Article and will submit the name of a qualified nominee (or nominees, if applicable) to the Vision Council, which will then appoint a successor to fill the unexpired term. The appointment, unless the unexpired term is completed, must be ratified by majority vote at the next annual or special meeting of the Voter's Assembly that is held.

ARTICLE X - MINISTRY TEAMS

Section 1. Core Ministry Team

A core ministry team is one identified by the Vision Council that has a ministry, which is long-term and essential to the mission, vision, and values of the congregation. It is supported by the budget and may have as many sub-ministry teams as required. Each core ministry team will have a leader, appointed by the Vision Council, who is gifted in that ministry. The leader, in turn, will appoint leaders for each sub-ministry team that may be created under that core ministry. The Vision Council and the core ministry teams will gather once each quarter to review, reaffirm, and celebrate their commitment to the congregation's mission, vision, and values. At the annual meeting of the Voter's Assembly, each core ministry team will present a report of its ministry.

Section 2. Ministry Team

A ministry team is created at anytime the Holy Spirit moves disciples to identify a ministry that is compatible with the mission, vision, and values of the congregation. Upon its creation, a ministry team must file with the Vision Council a statement of the goals of its ministry. It has a designated leader and may or may not be funded by the congregation's budget. The ministry team exists for the duration of the particular ministry for which it was created, for however short or long that may be.

ARTICLE XI - DISCIPLINE

A disciple, who advocates doctrines that are contrary to Holy Scripture and the Confessions of the Church, or who is guilty of conduct grossly unbecoming of a disciple of the Body of Christ, will be subject to discipline. The Vision Council, on behalf of the congregation will administer the discipline. The disciplined disciple has the right of appeal to a meeting of the Voter's Assembly. All discipline of a disciple will be exercised in accordance with Matthew 18:15-18.

ARTICLE XII - CONFLICTING LOYALTIES

The buildings and property of the congregation will be open to all people who share in its worship, instruction, pastoral care, and fellowship. However, the congregation rejects all fellowship with organizations, secret or open, which are avowedly religious and which do not confess faith in accordance with the constitution and bylaws of the congregation.

Ceremonies of lodges and other such organizations are prohibited in or on the congregation's property, nor will the congregation's pastor(s) or staff take part in any such ceremonies.

ARTICLE XIII - THE CHARITY LUTHERAN TRUST FUND

Section 1. Definitions

Committee: The governing body of the Charity Lutheran Church Trust Fund.

Designated Gift: A gift with a specific intent designated by the Donor.

Directors: Disciples in good standing serving on the Committee.

Donor: An individual(s), a business entity, a trust, an unincorporated organization, or government unit.

Endowment Fund: To receive gifts of which the income is to be distributed.

Memorial Fund: To receive memorial gifts of which the income is to be distributed.

Non-designated Gift: A gift with no specific intent designated by the Donor.

Other Gifts Fund: To receive gifts of which the principal and income is to be distributed.

Trust Fund: The Charity Lutheran Church Trust Fund consisting of the Endowment, Memorial, and Other Funds.

Section 2. Trust Fund Committee

Purpose: The Committee is called and elected to promote and advance the mission and vision of the congregation as embodied in the constitution and bylaws of the congregation and to carry out the expressed will of the congregation in decisions made by a Voter's Assembly. With the guidance of the Holy Spirit, it will endeavor to support the ministries of the congregation for the total furtherance of the work of Christ's Kingdom.

Membership and Terms: The Committee will have five directors, who are disciples in good standing, 18 years of age, and elected according to Article VIII of the bylaws. The term of each position on the Committee is two years terminating at the installation of a successor. However, at the first meeting of the Voter's Assembly held after the adoption of these bylaws, two positions will be elected for a term of one year and three positions for a term of two years. At the completion of each of these initial terms, successors will be elected to terms of two years. A director may not serve more than three consecutive terms with a partial term not counting towards the three-term limit. The directors will

serve without compensation except for reimbursement of reasonable expenses incurred on behalf of the Committee.

Organization and Officers: During its first meeting after the annual meeting of the Voter's Assembly and the installation of new directors, the Committee will elect from within its membership a chairman, vice chairman, and secretary. In the absence of the chairman, the vice chairman will preside. The secretary will record minutes of all meetings of the Committee and maintain all its records. Following accepted accounting principles, the Treasurer appointed by the Vision Council will be responsible for the oversight and maintenance of all financial records of the Committee. One member of the Vision Council and the senior pastor, or his or her designee, will serve as non-voting ex officio advisors.

Meetings: The Committee will meet a minimum of one time per quarter. As additionally needed, the chairman or any two directors of the Committee may call a special meeting. All official decisions require a majority vote of a quorum of three directors physically present or participating by a telecommunication device.

Education: The Committee will inform the congregation of the existence and purposes of the Trust Fund. It will provide educational opportunities to the congregation regarding the various types of gifts that can be given to the Trust Fund including, but not limited to, estate planning, wills, bequests, insurance, and other investments.

Report and Finance: The Trust Fund Committee will present a report of its activities and its financial status to the annual meeting of the Voter's Assembly. The Finance Committee appointed by the Vision Council will review the Trust Fund Committee records annually, and the report of the Finance Committee will be submitted to the annual meeting of the Voter's Assembly.

Committee Expenses: All of the Committee's activities and decisions will be funded through the income of the Trust Fund or a gift designated for that purpose.

Vacancies: If a vacancy occurs on the Committee for any reason, the nominating committee will follow the procedures in Section 1 of Article VIII of the bylaws and will submit the name of a qualified nominee (or nominees, if applicable) to the Committee, which will then appoint a successor to fill the unexpired term. The appointment, unless the unexpired term is completed, must be ratified by majority vote at the next annual or special meeting of the Voter's Assembly that is held.

If after prayerful consideration any director of the Committee is unable to fulfill his or her commitment to their position, they are to submit their resignation. If a director is absent three or more consecutive meetings without a reasonable explanation, the remaining directors of the Committee may declare the position vacant.

Section 3. Gifts and Donations

The Committee may accept the following types of gifts and donations for the Endowment Fund, the Memorial Fund, or the Other Gifts Fund.

Designated Gifts: A gift that has a specific purpose designated by the Donor that is in keeping with the ministry, vision, and mission of the congregation. However, if the Committee determines that a Designated Gift is not likely to be used in the foreseeable future for the purpose designated by the Donor or that the gift's intended purpose no longer exists or that it has become inconsistent with the ministry, vision, and mission of the congregation, the Committee may reallocate the gift's principal and accrued income to another purpose that is in keeping with the general declared intent of the Donor. Although the Committee will seek the approval of the Donor, the absence of such approval will not preclude such reallocation.

Non-designated Gifts: A gift that does not have a specific purpose designated by the Donor. The Committee for the benefit of the ministry, vision, and mission of the congregation may determine its purpose.

Types of Donations: Donations may consist of:

1. Bequests
2. Assignments of life insurance benefits
3. Assignments of certificates of deposit
4. Transfers of property such as cash, stocks, bonds and real estate
5. Memorials
6. Charitable gift annuities
7. Charitable remainder trusts
8. Such other devices, donations, contributions and transfers of every sort as may be appropriate

Acceptance of Donations: Prior to accepting any donation, the Committee will provide a form to the Donor to complete, on which the Donor will identify the asset to be donated, list its estimated value, and indicate whether the gift is a designated gift or a non-designated gift. The Committee will then determine whether the acceptance of the gift would be in accordance with the investment policies of the Trust Fund and the mission and vision of the congregation.

Records: The Committee will maintain records of the original and appreciated value of each donated gift and, if applicable, the specific purpose of each as specified by the Donor.

Recognition: The Committee may have appropriate programs to recognize Donors for their gifts.

Section 4. Distributions from the Trust Fund

If so designated, only the income from a gift to either the Memorial Fund or the Endowment Fund is to be used for the ministry, vision, and mission of the congregation. The principal must stay intact. That is, unless emergency circumstances exist and the Committee recommends otherwise to the Voter's Assembly, which then approves the recommendation in accordance with the provisions of Article XI in the congregation's constitution. Both the principal and income in the Other Gifts Fund may be used.

If income relating to an asset can be identified and distinguished from other income, the income must be allocated as specified by the Donor, or as determined by the Committee. If the income relating to a gift or donated asset cannot be identified or distinguished from other income, a proportionate share of the total income to the Trust Fund, based upon the approximate appreciated value of the asset in relation to the appreciated value of all assets in the Trust Fund, must be allocated as specified by the Donor, or as determined by the Committee.

Section 5. Investment Policies

The Committee will be governed by the following policies:

Ownership of Assets: All assets of the Trust Fund are owned by and are to be held in the name of Charity Lutheran Church as provided for in Article VII of the constitution and will be in addition to and separate from the general operation of the congregation as provided for in Article IX of the constitution.

Investment Decisions: The Committee will act autonomously in all investment decisions exercising the fiduciary care, skill, and diligence of a prudent investor. Permitted investments may include any of the following:

- a. Cash and equivalents including money market funds or similar funds
- b. Equity holdings selected from the New York, American, or NASDAQ markets, including holdings in a mutual fund or like fund.
- c. Fixed income instruments including, but not limited to, interest-bearing time or demand deposits, certificates of deposit or similar banking arrangements with any depository, provided that such deposits, certificates and other arrangements, if other than with the Bank of North Dakota, are fully insured by the Federal Deposit Insurance Corporation.
- d. Fixed income instruments including, but not limited to, stocks, corporate debt securities, preferred stock, commercial paper, notes and securities convertible to equities, provided that the instruments must have a minimum credit rating of A from Standard & Poor's or a comparable rating from another nationally recognized rating agency.

- e. Direct obligations of, or obligations the prompt payment of principal and interest on which are fully guaranteed by, the United States of America.
- f. Bonds, debentures, notes or other evidences of indebtedness issued or fully guaranteed by any agency or instrumentality of the United States of America which is backed by the full faith and credit of the United States of America.
- g. Real property, if received by gift.

Investment Objectives and Restrictions: The objectives of the Trust Fund are long-term growth and consistency of portfolio returns without exposure to unnecessary risk. The Committee may invest Trust Fund assets in any Permitted Investments to provide income, liquidity for expense payments and preservation of principal value. The Committee may commingle assets.

General Powers: The Committee may exercise all powers and do all such lawful acts not prohibited by statute or by the constitution and bylaws, including but not limited to the following:

- a. To take, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle, manage and control, the Trust Fund, or any part thereof, as the Committee in their judgment and discretion deems wise and prudent;
- b. To retain any property in the form in which received;
- c. To convert and reconvert the Trust Fund, or any part thereof, into other kinds and forms of property, real or personal or mixed;
- d. To receive the income, profits, rents and proceeds of the Trust Fund and to collect and receipt for the same, and to pay all administrative and necessary expenses in connection with it;
- e. To make, execute and deliver all instruments necessary or proper to the accomplishment of the purposes of the Trust Fund or any of the foregoing powers including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases and settlements.

Professional Advisors: The Committee may be used to contract for professional services necessary for the administration of the Trust Fund such as, but are not limited to, legal, accounting, brokerage, and corporate trust.

Self-Dealing: No director will engage in any self-dealing with the Trust Fund or have any transactions with the Trust Fund in which the director has a direct or indirect financial interest. A director will at all times refrain from conduct in which his or her personal interests would conflict or would give the appearance of a conflict with their fiduciary responsibilities to the Trust Fund. The committee may, however, retain the professional skills and services of disciples of the Congregation in a research or advisory capacity and provide appropriate reimbursement if applicable.

Liability: The Committee may obtain liability insurance to protect the directors. The directors will not be liable for any losses which may be incurred upon the investments of the assets of the Trust Fund except to the extent such losses will have been caused by gross negligence or acts of fraud. No director will be personally liable as long as he or she acts in good faith. Each director will be liable only for his or her own willful misconduct or omissions, and will not be liable for the acts or omissions of any other director.