

**THE VESTRY OF ST. PETER'S BY-THE-SEA
EPISCOPAL CHURCH
545 SHASTA AVENUE
MORRO BAY, CA 93442**

RESOLUTIONS

WHEREAS, Stewardship involves the faithful management of all the gifts God has given to humankind – time, talents, the created world and money, including accumulated, inherited and appreciated assets; and

WHEREAS, Persons may give to the work of the Church through a variety of gift vehicles, including cash, bequests in wills, charitable remainder trusts and other life income gifts, other trusts, life insurance policies, real estate, securities and other property; and

WHEREAS, it is the desire of this parish to encourage, receive and administer these gifts in a manner faithful to the loyalty and devotion to God expressed by the donors, and in accord with the canons of the Episcopal Church and the Diocese of El Camino Real, and the By-laws of this parish:

THEREFORE BE IT RESOLVED, that this parish, through action of its Vestry, establishes a new and separate fund to be known as the ST. PETER'S AT FIFTY ENDOWMENT FUND (hereafter called "FUND" OF ST. PETER'S BY-THE-SEA, MORRO BAY, CALIFORNIA (hereafter referred to as "PARISH");

BE IT FURTHER RESOLVED, that the purpose of FUND is to enable PARISH to more completely fulfill its mission by developing its ministries beyond what is possible through its annual operating funds, and therefore that distributions from the fund shall be limited to (i) capital needs of PARISH, (ii) outreach ministries and grants, (iii) seed money for new ministries and special one-time projects' and (iv) such other purposes as are specifically designated by donors to PARISH whose gifts are included in FUND;

BE IT FURTHER RESOLVED, that distributions from the FUND shall not be made to the operating budget of PARISH;

BE IT FURTHER RESOLVED, that an Endowment Board shall be managers of FUND.

BE IT FURTHER RESOLVED, that the following PLAN OF OPERATION sets forth the administration and management of the FUND:

PLAN OF OPERATION

1. The Endowment Board

The BOARD shall consist of five members, all of whom shall be members in good standing of St. Peter's by-the-Sea and may also be members of the Financial Committee; three members shall be appointed by the Vestry. The Rector and Senior Warden shall be members *ex-officio* of the BOARD with seat, voice, and vote. Except as herein limited, the term of each appointed member shall be three (3) years. Upon adoption of this resolution, one (1) member shall be appointed for a term of three (3) years; one (1) member for a term of two (2) years, and one (1) member for a term of one (1) year. Thereafter, on an annual basis, the Vestry shall appoint the necessary number for a term of three years. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former BOARD members may be re-appointed. In the event of a vacancy on the BOARD the Vestry shall appoint a person to complete the unfulfilled term, upon the completion of which that person would be eligible for re-appointment to a normal three (3) year term.

The BOARD shall meet at least quarterly, or more frequently as deemed by it in the best interest of the FUND.

A quorum shall consist of four (4) members, including the members *ex-officio* with. The affirmative vote of four (4) members shall be necessary to carry any motion or resolution.

BOARD shall elect from its membership a Chairperson and a Secretary. The Chairperson, or member designated by the Chairperson, shall preside at all BOARD meetings.

The Secretary shall maintain complete and accurate minutes of all meetings of BOARD and supply a copy thereof to each member of the BOARD. The Secretary shall also supply a copy of the minutes to the Vestry in a timely manner as an addendum to vestry minutes (which contain the legally required proceedings of PARISH).

As a part of PARISH financial records, Treasurer of PARISH shall maintain a complete and accurate record of FUND assets, dispersals, and deposits. As a part of PARISH financial records, they will be audited at the direction of the Vestry by a certified public accountant or other qualified person. Such person shall not be a member of BOARD.

The BOARD shall report on a quarterly basis to the Vestry and, at each annual meeting of the congregation, shall render a full and complete account of the administration of the FUND during the preceding year.

The BOARD, at the expense of FUND, may provide for such professional counseling on investments or legal matters as it deems to be in the best interests of FUND. Assets of Fund

shall be maintained in such mutual fund accounts, checking accounts, and brokerage accounts as determined by BOARD with complete and separate records of balances and transactions shown in PARISH accounting records.

Members of BOARD shall be liable for any acts or omissions committed by them (including losses which may be incurred upon the investments of the assets of FUND) only to the extent that such acts or omissions were not in good faith or involved intentional misconduct. Each member shall be liable only for his/her own intentional misconduct or for his/her own acts or omissions not in good faith, and shall not be liable for the acts or omissions of any other members. No member shall engage in any self dealing or transactions with FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his personal interests would conflict with the interest of FUND. This restriction does not preclude FUND from owning interests in such publicly traded mutual funds, corporate stocks, or bonds that are also held by individual board members so long as there is no benefit accruing to individual board members from FUND's ownership of said interests.

All assets are to be held in the name of **ST. PETER'S BY-THE-SEA, MORRO BAY, CALIFORNIA** with complete and accurate disclosure of balances in transactions shown in the financial records as previously described. Actions to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stocks, bonds, debentures, mortgages, notes, warrants of other securities, as in their judgment and discretion they deem wise and prudent, are to be made by a delegated member of BOARD.

2. Acceptance of gifts to the Endowment Fund

The BOARD will establish a GIFT ACCEPTANCE POLICY through which the decision is made whether a gift shall be accepted. If a gift of property other than cash or publicly traded securities is offered the Parish, there will be conducted a careful review to determine whether the best interests of the congregation are served by accepting or rejecting the gift. Guidelines for conducting such a review shall be incorporated in the GIFT ACCEPTANCE POLICY.

3. Distributions from the Endowment Fund

It is the intent of this resolution that the FUND shall be managed as a true endowment employing the restriction that the principal shall not be invaded; however, distributions from the FUND shall be made utilizing a Total Return Policy that incorporates a designated percentage of the corpus that will be available for expenditure annually. Subject to Vestry approval, the BOARD shall formulate a policy defining the spending rules and protocols that will provide for the withdrawal and use of funds consistent with the stated purposes of the FUND as defined in the first section of this resolution.

No portion of the principal amount of the FUND shall be “borrowed”, including any “temporary usage” for other parish needs.

4. Amendment of these resolutions

Any amendment to these Resolutions shall be adopted by a vote of at least two-thirds (2/3) of the membership of the Vestry at a regularly scheduled meeting or at a special meeting called specifically for the purpose of amending these Resolutions.

5. Disposition or transfer of FUND

In the event PARISH ceases to exist, whether through merger, dissolution or some other event, disposition or transfer of FUND assets shall be at the discretion of the Vestry in conformity with the approved PARISH corporate by-laws and with consultation with the Bishop of the Diocese of El Camino Real. Consultation with the Episcopal Church Foundation may be desirable for continuation of FUND obligations.

The foregoing Resolutions are hereby ADOPTED by the Vestry this ____ day of _____, 2007.

St. Peter’s by-the-Sea Episcopal Church

Senior Warden

Attest:

Secretary