

Westminster Foundation Board

Minutes of September 13, 2006 meeting.

The Westminster Foundation Board met at the McAdoo home at 7:30 pm on Wednesday, September 13, 2006. Mr. Keeth opened the meeting with a prayer. The following Board members were present: Bill Keeth, Steve Cathcart, Howard Kitzmiller, Don Fowler, Andrew Klein, Mike McAdoo, Jane Stilmar, and Doug Todd. The remaining members were excused. Also attending was Assistant Treasurer John Smithers.

Mr. Keeth reviewed the purpose of the meeting, to address the request of Session that the Foundation loan up to \$380,000 of Foundation Fund A, in the form of a pledge to Cardinal Bank, as part of the security for Cardinal's loan to Westminster for its ongoing renovation project, and invited the Board's attention to the Memorandum dated August 31, 2006, concerning the matter, which he had distributed to the Board by email on September 1, 2006.

Extensive discussion was held among the those present regarding the proposal, including (a) the fiduciary responsibility of the Foundation with respect to Fund A assets, and to the church to effectively manage the funds while also providing appropriate support to the church, (b) whether the proposed loan constituted a prudent investment of Foundation assets, (c) the terms of the loan, including the amount of fee to be paid to the Foundation and the security to be offered by the church.

The following Motion was formally made by Mr. Klein, which was seconded and approved unanimously by the Board:

The Westminster Foundation Board agrees to provide a loan to the church having an aggregate value of at least \$350,000.00 from Fund A in the form of a pledge of Fund A assets to Cardinal Bank to partially secure its loan to the church for its ongoing building renovation project.

The loan will be secured by a second trust on the church's real property, which trust will not be recorded unless the church defaults on the Cardinal loan. The loan will become due and payable at such time as the Session offers Cardinal acceptable replacement collateral for the pledged assets. The loan shall have a term of one (1) year. If necessary the church may extend the loan for one (1) additional year. The church will pay the Foundation an annual fee equal to 1% of the minimum collateral balance required by Cardinal Bank, as consideration for said loan.

During the term of the loan (1) Fund A income will continue to be earned and distributed for church purposes and (2) Fund A investment portfolio may be changed, as long as the principal balance of Fund A remains at least \$350,000 and the church is not in default Cardinal Loan.

William Keeth, chair of the Foundation Board, or, as appropriate, Nancy Bea, church administrator are authorized to sign all documents, and take other necessary and

appropriate actions, in connection with the loan, and Board member Michael McAdoo is appointed acting secretary for this purpose.

The chair recognized the significant efforts of Mike McAdoo and Andrew Klein regarding the collateral loan matter. Mr. Keeth expressed appreciation not only for what had been done, but also what will be done, to make sure that a very difficult issue reaches a successful and appropriate conclusion.

After a brief discussion it was agreed that the proceeds from the CD's that matured in August, except those in Fund D, should now be invested in 5 year CD's. This is in keeping with the investment discipline of the 5 year CD ladders currently in place.

The minutes from the previous meeting and the treasurer's report were review and accepted.

The class of 2006 consists of Jane Stilmar, Doug Todd, Bill Watts, and Bill Keeth. Mr. Keeth said that he would re-enlist at the end of his term and encouraged the other class member to do the same. He specifically requested that any board member who would not be returning to let the chair know as soon as possible.

Because the church's records are in storage, there will be little or no action taken regarding a recognition plaque until after the church renovation.

Michael McAdoo, Acting Secretary

William Keeth, Chairperson