

DECLARATION OF TRUST

THE METHODIST BUILDING ENDOWMENT FUND

THIS DECLARATION OF TRUST is made this 23rd day of March,
1965.

Background and Purpose

The Board of Temperance, Prohibition, and Public Morals was organized in 1913 by order and authorization of the General Conference of The Methodist Episcopal Church, meeting in Quadrennial Session in Minneapolis, Minnesota, in the month of May, 1912. Its function and mission were more fully stated in the General Conference of The Methodist Episcopal Church in its next Quadrennial Session held in Saratoga Springs, New York, in the month of May, 1915. On May 23, 1917, a certificate of incorporation of "The Board of Temperance, Prohibition and Public Morals of the Methodist Episcopal Church," hereinafter called the "Old Board of Temperance," was recorded in the office of the Superintendent of Corporations, Washington, D. C. in liber 33 folio 310, certificate No. 14, 600. Since about 1912, campaigns for funds through gifts, bequests, and contributions were instituted for the purpose of providing an endowment fund to support the work of the Methodist Church through this agency in the field of temperance and alcohol problems. This corporation has continued and still continues to function with its work in this area. In 1939, The Methodist Episcopal Church, the Methodist Episcopal Church South, and The Methodist Protestant Church formed a union which was called, "The Methodist Church." At the united conference, the Old Board of Temperance was continued. The first General Conference of the new "Methodist Church" met in May 1940, in Atlantic City and reaffirmed methodism's historic concern in the area of life affected by temperance and alcohol problems, and commissioned the Old Board of Temperance "to carry on" in the name of and on behalf of The Methodist Church. The Old Board of Temperance has been continued in existence through annual meetings and annual elections of officers in order to make it easy and uncomplicated to receive bequests, hold assets, and receive donations made out in favor of that Board for work in the area of temperance and alcohol problems. It holds, at the present time, title to securities only, which have been given to it over the years through donations, contributions, and bequests to support its work in the field of temperance and alcohol problems.

By certificate of incorporation recorded April 15, 1944, in liber 61 folio 122, certificate No. 28, 247, in the office of the Superintendent of Corporations, "The Board of Temperance of the Methodist Church," hereinafter called "The Division," was organized for the purpose of work in the area of temperance and alcohol problems. The original certificate of incorporation has been amended as follows: (1) October 25, 1949, certificate 3376, to expand the purposes; (2) April 26, 1950, to provide that this corporation "shall be the successor and successor in trust of The Board of Temperance, Prohibition and Public Morals of The Methodist Episcopal Church, a corporation organized and existing under the laws of the District of Columbia;" (3) April 6, 1961, to change the name to "The Division of Temperance and General Welfare of the Board of Christian Social Concerns of The Methodist Church," and (4) October 13, 1964, to change the name to "Division of Alcohol Problems and General Welfare of the Board of Christian Social Concerns of the Methodist Church."

In the early days in the years following 1912, large sums were collected on a nationwide basis to further the work in the area of temperance and alcohol problems. Among those instrumental in the work at that time were Dr. Clarence True Wilson, Dr. Earnest Charrington, and others. A number of large bequests were obtained, for example, a large bequest came from the family of Bishop Mathew Simpson to be used for endowment purposes for work in temperance and alcohol problems, and also for a headquarters building in the Nation's capital to include offices for the performance of such work as well as to provide an investment for the production of income through rental apartments. This was the origin of the construction and use of the structure now known as the Methodist Building, 100-110 Maryland Avenue N. E., Washington, D. C., which is also designated as lot 814, square 728. Since completion of the building, it has been used for the Simpson Memorial Chapel, Bishop's offices, and for the offices of various church-related agencies including the Board of Christian Social Concerns of the Methodist Church and the Division of Alcohol Problems and General Welfare of the Board of Christian Social Concerns of the Methodist Church, which is the corporation referred to above as "The Division."

The Methodist Building was originally titled in the Old Board of Temperance corporation but in order to facilitate the operation of the building and for other purposes, it was subsequently conveyed on October 24, 1944, to The Division corporation which now holds title to it free and clear. In addition, The Division owns securities and cash given to it over the years through donations, contributions, and bequests to support the work in the area of temperance and alcohol problems. Further, The Division owns another piece of real estate consisting of approximately five acres of unimproved land free and clear of encumbrances, located near the junction of Massachusetts and Nebraska Avenues, N. W., in the District of Columbia, which was purchased from its endowment funds. This property is also designated as parcel 21, lot 46, on the real estate tax records of the District of Columbia.

The assets of both of these corporations, including real, personal, and mixed property, have been impressed with a trust-in-fact for them to be used and applied for the purposes for which they were given--for work in the areas of temperance and alcohol problems. The assets have been so utilized to the present time. It is the purpose of this Declaration of Trust to formalize the existing situation and provide a method for the continued management, investment, reinvestment, and application of the principal and accumulated income for the purposes for which the funds were originally given, that is to say, work in the areas of temperance and alcohol problems.

It is the further purpose of this Declaration of Trust to implement the action of the 1960 General Conference of The Methodist Church. That Conference directed that the Board of Temperance of the Methodist Church incorporated April 15, 1944, become a Division of the Board of Christian Social Concerns of The Methodist Church. While the separate corporate identity of the Board of Temperance was maintained, its name was subsequently changed to the Division of Alcohol Problems and General Welfare of the Board of Christian Social Concerns of The Methodist Church. The Old Board of Temperance, Prohibition and Public Morals of the Methodist Episcopal Church was also maintained as a separate corporation without a change of name.

As a part of its action, the General Conference of The Methodist Church ordered the following wording to be placed in that section of the 1960 Discipline of The Methodist Church which describes the Board of Christian Social Concerns and its Divisions (Paragraph 1525 - 2):

Either on behalf of its total work or on behalf of one or more of its divisions, the Board may solicit and create special funds, receive gifts and bequests, hold properties and securities in trust, and administer all these financial affairs in accordance with its own rules and the provisions of the Discipline (see Para. 743 and 748). Funds vested in any of the predecessor boards shall be conserved for the exclusive use of the appropriate division of this board and for the specific purposes for which such funds have been given.

Property Involved

Both The Division and the Old Board of Temperance corporations hereby declare that the properties which are more fully identified and described in Schedule A attached hereto have been, are to be, and are hereby formally set aside as "Trust Corpus" to be used and applied to work in the area of temperance and alcohol problems on a national and international basis under control of Trustees as hereinafter set forth. While the legal title to said real and personal properties will not now be changed, said properties are hereby declared to be equitably impressed with a trust for the purposes of work in the area of temperance and alcohol problems as hereinabove set forth. It is the purpose and intent that the Trust Fund be invested and reinvested so as to produce an income to be applied and used for the Trust purposes.

Trustees

The Trustees shall consist of those persons who are quadrennially elected to the Executive Committee of the corporation known as The Division, or its successors by merger or otherwise. The members of the Executive Committee or their successors shall hold office while they are serving as members of the Executive Committee and they shall be succeeded as Trustees by the members of succeeding executive committees as elected in succeeding quadrennial sessions.

Powers, Duties, and Responsibilities of Trustees

The Trustees shall have full control of Trust Corpus which hereinafter will be known as "The Methodist Building Endowment Fund." There is hereby granted to the Trustees full discretionary power to hold, preserve, manage, sell, resell, invest, reinvest, collect all rents, revenues, issues, and profits arising from the Trust Estate, and pay all proper charges, costs, expenses; and taxes in connection therewith or such as may be necessary in the furtherance of this Trust as determined by the Trustees, and to accumulate, apply, pay, transfer, and distribute the net income as the Trustees may apportion and determine for work in the field of temperance and alcohol problems.

In addition to and not in derogation of the powers otherwise given to the Trustees, they are authorized with respect to the Trust Estate including any accumulated income, to act as follows:

1. To hold as corpus of the Trust Estate any securities or other property, real, personal or mixed, now owned by The Division and the Old Board of Temperance or hereafter acquired by them or either of them, without liability to said Trustees for any loss or depreciation occasioned by or resulting from holding or managing such property or from investment or reinvestment, or from the purchase or sale of any other property, as long as the Trustees act in good faith.
2. In the Trustees' sole discretion and on such terms and conditions and at such times as the Trustees may deem to be in the best interests of the Trust Estate, to sell and resell, convey, transfer, assign, lease, encumber by deed of trust, pledge or otherwise, all or any part of the Trust Estate without liability on the part of any purchaser, lender, or lessee to see to the application of the purchase money, money lent, or rents.
3. To take any action with reference to securities necessary and proper to enable the Trustees to obtain benefits of stock exchanges, stock splits, reorganizations, mergers, or consolidations or similar developments.
4. To make alterations, repairs, and improvements to any real estate owned by The Division and Board corporations or by the Trust Estate; and to employ real estate agents to rent, appraise, or sell any real estate owned by the corporations or the Trust Estate, paying to said real estate agents a commission for their services.
5. To settle and compromise any claims against the Trust Estate; and to employ counsel.

6. To take all action necessary and proper to carry into execution the terms and provision of the Trust.

7. To decide all apportionments between principal and income.

Investments involving said Trust assets shall be made for the purpose of obtaining a maximum return on the investment, with the income to be used for the Trust purposes. In the event that the present Methodist Building, 100-110 Maryland Avenue N. E., Washington, D. C., be taken by condemnation or eminent domain, the funds received from the condemnation award or from litigation or otherwise, shall be invested and reinvested as Trust Corpus with the income applied to Trust purposes. Likewise the net proceeds derived from the sale of any other real or personal assets shall be considered as corpus and invested and reinvested as Trust Corpus to produce an income to be used for Trust purposes. In the event that the Methodist Building be condemned or sold, the net proceeds also may be used by said Trustees for construction and erection of a new Methodist Building on another site.

In general, the Trustees shall have all authorities necessary, incidental, and proper to carry out the purposes established herein by this Trust.

Administrative details regarding the fund shall be handled by the Associate General Secretary responsible for The Division or its successor by merger or otherwise, under the authorization and direction of the Trustees.

The Trustees shall elect a chairman, secretary, and such other officers as may be desired.

The investment of moneys and property, real, personal, and mixed, belonging to The Methodist Building Endowment Fund shall be limited to securities of the United States Government or its agencies, securities listed on the current list of "Legal Investments for Trust Funds in the District of Columbia" and so designated by the United States District Court for the District of Columbia and distributed by the Office of the Register of Wills of that Court; in improved and unimproved real estate approved by the Trustees; in deed of trust notes adequately secured on improved or unimproved real estate as determined by the Trustees; in federally insured building and loan association accounts; and in bank savings accounts. There shall be no limitation as to the percentage or apportionment of assets in any one type or form of investment or company. All investments made must have the approval of at least a majority of the Trustees of The Methodist Building Endowment Fund, acting upon recommendation of the investment by a bank or trust company or a duly licensed investment counsellor competent with respect to the type of investment involved.

Whenever called upon, the Secretary of the Trustees duly elected by them, shall certify by photocopy, if desired, any section of this Declaration of Trust or the whole thereof to authorized recipients of such information.

The Trustees are authorized to employ and compensate as required licensed investment advisers who in the discretion of the Trustees are competent to review the properties held in The Methodist Building Endowment Fund. Such investment adviser shall make recommendations to the Trustees as needed from time to time regarding sales or exchanges of property; shall

make investment recommendations for the employment of uninvested funds; and, in general, provide investment advice to the Trustees. The Trustees are authorized also to employ and compensate a bank or banks, trust company or trust companies, as they may deem necessary, under a contract to take possession of and assume full responsibility for the safe care and custody of securities constituting the Trust assets; to receive and collect income therefrom; to make remittances and disbursements of such income as directed by the Trustees; to manage, operate, and collect the rents from any real property held or hereafter acquired by The Methodist Building Endowment Fund; and in general, to perform all appropriate services in connection with the management and operation of the same with respect to The Methodist Building Endowment Fund. Such bank or trust company, if such assistance be desired, shall render accounts and reports of all transactions as may be directed by the Trustees with regard to the assets of the Endowment Fund and may allow the Trustees to inspect the accounts and records of such company which relate to the assets of the Endowment Fund. In any contract entered into with a bank or trust company as custodian, the Trustees shall reserve specifically the right to terminate such contract and withdraw the assets of the Endowment Fund from said bank or trust company by a majority vote of the Trustees. The Trustees annually shall report in detail the Trust assets in their possession; sales and exchange of said Trust assets, income received therefrom, and disbursements made to The Division or its successors by merger or otherwise.

IN TESTIMONY WHEREOF, on the day and year first hereinabove written, the DIVISION OF ALCOHOL PROBLEMS AND GENERAL WELFARE OF THE BOARD OF CHRISTIAN SOCIAL CONCERNS OF THE METHODIST CHURCH, a corporation, has caused these presents to be signed by its corporate name by Paul Hardin, Jr., its Chairman, attested by Sara J. Clardy, its Secretary, and its corporate seal to be affixed hereto, and hereby constitutes Paul Hardin, Jr. its true and lawful attorney-in-fact for it and in its name to acknowledge and deliver these presents as its act and deed; and

IN TESTIMONY WHEREOF, on the day and year first hereinabove written, THE BOARD OF TEMPERANCE, PROHIBITION AND PUBLIC MORALS OF THE METHODIST EPISCOPAL CHURCH, has caused these presents to be signed in its corporate name by Paul Hardin, Jr., its Chairman, attested by Sara J. Clardy, its Secretary, and its corporate seal to be affixed hereto, and does hereby constitute Paul Hardin, Jr. its true and lawful attorney-in-fact for it and in its name to accept and deliver these presents as its act and deed.

DIVISION OF ALCOHOL PROBLEMS AND GENERAL WELFARE OF THE BOARD OF CHRISTIAN SOCIAL CONCERNS OF THE METHODIST CHURCH, a corporation,

by Paul Hardin, Jr. Chairman

Attest:

Sara J. Clardy
its



THE BOARD OF TEMPERANCE, PROHIBITION AND
PUBLIC MORALS OF THE METHODIST EPISCOPAL
CHURCH, a corporation,

by X. Paul Hardin Jr., Chairman

Attest:

Sean J. Clardy
its Secretary

DISTRICT OF COLUMBIA, ss:

I, Reed A. Dierker, a notary public in and for the aforesaid District, do hereby certify that Paul Hardin Jr. who is personally well known to me as the person named as attorney-in-fact in the foregoing and annexed Declaration of Trust, bearing date of the 23rd day of March, 1965, to acknowledge the same, personally appeared before me in said District, and as attorney-in-fact as aforesaid, and by virtue of the authority vested in him by said Declaration, acknowledged the same to be the act and deed of the Division of Alcohol Problems and General Welfare of the Board of Christian Social Concerns of the Methodist Church, one of the corporations declarant therein, and delivered the same as such.

Given under my hand and seal this 30th day of April 1965,
A. D. 1965.

Reed A. Dierker
Notary Public, D. C.

My Commission Expires February 21, 1970

DISTRICT OF COLUMBIA, ss:

I, Reed A. Dierker, a notary public in and for the aforesaid District, do hereby certify that Paul Hardin Jr. who is personally well known to me as the person named as attorney-in-fact in the foregoing and annexed Declaration of Trust, bearing date on the 23rd day of March, 1965, to acknowledge the same, personally appeared before me in said District, and as attorney-in-fact as aforesaid, and by virtue of the authority vested in him by said Declaration, acknowledged the same to be the act and deed of The Board of Temperance, Prohibition and Public Morals of the Methodist Episcopal Church, one of the corporations declarant therein, and delivered the same as such.

Given under my hand and seal this 30th day of April,
A. D. 1965.

Reed A. Dierker
Notary Public, D. C.

My Commission Expires February 28, 1970

Schedule A

METHODIST BUILDING ENDOWMENT FUND
(Trust Funds)

Cash on hand May 31, 1964 Checking \$54,202.02
 Savings 15,792.52

<u>Investments - Stocks and Bonds</u>	<u>Purchase Price</u>	<u>Value 5/31/64</u>
2,000 shares Washington Gas Light	\$ 38,580.01	\$ 71,000.00
220 shares Cincinnati Gas & Electric	5,086.48	5,610.00
200 shares Penna. Power & Light	6,721.25	7,350.00
200 shares Kansas City Power & Light	7,446.40	8,500.00
200 shares Standard Oil	11,883.30	17,425.00
200 shares General Electric	12,283.70	16,225.00
406 shares Dayton Power & Light	11,397.69	11,520.25
1,220 shares Potomac Electric Power Co.	14,929.37	24,622.13
400 shares American Cyanamid	15,011.72	26,350.00
4,58½ shares American Tel & Tel	139,677.19	324,429.87
20 bonds Columbia Gas System	20,575.00	20,000.00
1 bond U. S. Savings	<u>2,000.00</u>	<u>2,000.00</u>
	\$285,592.12	\$534,957.25

Investments - Loans

Methodist Corporation at 6%	\$318,500.00
Division of Peace Loan at 0%	10,000.00
Bd. of CSC (New York Bldg) at 5 3/4%	<u>150,000.00</u>
	\$478,500.00

Investments - Property

100-110 Maryland Ave., N.E., D.C. square 726, lot 814	\$1,541,000.00
3400 Massachusetts Ave. N.W., D.C. parcel 21, lot 46	400,000.00
Lots 14-15, Block I Tampa, Florida	<u>3,150.00</u>
	\$1,944,150.00

Liabilities - Loans

American Sec. & Trust 4 1/2%	\$290,000.00
National Savings & Trust 5 1/2%	<u>130,000.00</u>
	\$420,000.00

Liabilities - Annuities

Bonds at 2 1/2%	\$1,383.00
Bonds at 5%	200.00
Bonds at 6%	500.00
Bonds at 7%	<u>2,000.00</u>
	\$4,583.00