

Resolution A

(Annual Corporate Resolution)

WHEREAS, Legal counsel has advised that an annual corporate resolution should become part of the minutes ratifying the acts of the Board of Deacons of the Corporation during the preceding year; therefore, be it

RESOLVED, That the acts and resolutions of the Board of Deacons of the Corporation, in carrying out the interests of this Corporation during the fiscal year ending 2024, be ratified and made acts of the Corporation; and

RESOLVED, That the personal liability of the Board of Deacons of the Corporation is eliminated to the fullest extent permissible under California law.

Resolution B

(Nominating Committee Resolution)

WHEREAS, Article IX Section 2b of the Bethel Church of San Jose Bylaws states, "No member of this committee or their spouses may be nominated to the slate of candidates for the Board of Deacons or the World Missions Board"; and

WHEREAS, The Bethel Church of San Jose Bylaws prohibits a spouse of a Nominating Committee member to be nominated to the slate of candidates for the Board of Deacons or the World Missions Board; and

WHEREAS, Every March, the newly appointed Chair and Co-Chair of the Nominating Committee are tasked with recommending members to be appointed to serve on the Committee while simultaneously considering members of the Committee whose spouses will not be nominated for either slate; and

WHEREAS, Between March and the first Committee meeting in September, circumstances often change and the Committee determines that the spouse of a Committee member would be perfect for one of the slates; therefore, be it

RESOLVED, That Article IX Section 2b of the Bylaws be amended as follows:

"No member of this committee ~~or their spouses~~ may be nominated to the slate of candidates for the Board of Deacons or the World Missions Board."

RESOLUTION C

(TRANSFER OF THE SANTA CLARA RESIDENCE)

WHEREAS, Bethel Church of San Jose has two legacy properties with significant costs of deferred maintenance and repair requiring building capital funds; and

WHEREAS, the proposal to sell property has been described in FAQ - SANTA CLARA RESIDENCE SALE document made available to members of Bethel Church of San Jose (attached hereto); and

WHEREAS, Bethel Church of San Jose's primary mission is ministry of the Gospel of Jesus Christ in neighborhoods and nations; and

WHEREAS, real property is a legacy of prior, faithful giving to Bethel Church of San Jose; and

WHEREAS, Bethel Church of San Jose owns a real property in the City of Santa Clara, County of Santa Clara, State of California, described as follows: Santa Clara County Tax Assessor's Parcel Number (APN) 220-18-50 with a street address of 2415 Pacific Drive, Santa Clara, California ("The Single Family Residence"); and

WHEREAS, The Single Family Residence does not directly contribute to or support the mission of Bethel Church of San Jose; and

WHEREAS, the better use of The Single Family Residence is forming an endowment to generate an income stream; and

WHEREAS, The Bethel Foundation exists for the exclusive benefit of Bethel Church of San Jose; and

WHEREAS, The Bethel Foundation is best suited to establish and grow an endowment in perpetuity for the purpose of generating income for the exclusive use and benefit of Bethel Church of San Jose; therefore, be it

RESOLVED, That the Board of Bethel Church of San Jose and its officers are authorized to transfer the real property in the City of Santa Clara, County of Santa Clara, State of California, described as follows: Santa Clara County Tax Assessor's Parcel Number (APN): 220-18-050 from Bethel Church of San Jose to the Bethel Foundation.

FAQ - SANTA CLARA PROPERTY RESIDENCE SALE

Why the Board of Deacons (the “Board”) propose selling property assets:

For the last four years, there were no savings generated by the annual budgets; instead, savings were used to support the expenses of church operations which were greater than tithe and offering income.

Bethel Church’s (the “Church”) San Jose campus opened 44 years ago, and the Santa Clara campus is over 60 years old. Unsurprisingly, the costs to repair, maintain or refurbish two aging campus properties are increasing. Each campus has significant unfunded needs which exceed the capability/capacity of the annual operating budgets of the Church.

Apart from borrowing, the sale of assets is the primary and preferred option. Borrowing (a mortgage) is not desirable as it incurs debt and increases our costs (principal and interest). Further, it is a high-risk approach to borrow money to support operations spending.

Sale of property and investing the proceeds to produce income, on the other hand, will sustain the legacy of the property by forming an endowment which will produce annual income.

Facilities annual budget can’t pay for the Church maintenance and improvements.

The Facilities budget (\$383,000 in the proposed 2025 annual budget) supports ongoing operations including opening, without limitation, closing, set up, tear down, cleaning and minor, ordinary maintenance, as well as utilities and all contract services to maintain the Church properties.

However, for significant infrastructure repairs such as elevators, electrical, HVAC, fire suppression systems, plumbing, parking lot pavement maintenance and remodeling, funds from savings have been required. Estimates of significant repairs, maintenance and refurbishment range from \$250,000 to \$400,000 per year between the two church facilities.

Residential property the Board proposes to sell:

The Santa Clara campus has two separate parcels, one where the sanctuary, parking lot and gymnasium are located, and the other is a residential parcel. It is the residential parcel that is proposed for sale. In addition to being a unique parcel (saleable as-is, without any zoning or lot changes) it has its own address, which is 2415 Pacific Drive, Santa Clara (the “Property”).

How the Board proposes to sell the property:

The Board recommends transferring the Property to the Bethel Foundation of San Jose (the “Foundation”). The Foundation Board would prepare the Property for sale which will include

moving a fence to match the Property's lot line and any actions needed to make the Property marketable such as painting.

The Foundation Board's Objectives for the property:

The mission of the Church is to bring the Gospel to neighborhoods and nations; the leadership of the Church is and should be focused on that mission. The annual operating budget of the Church is spent on direct church ministry and operations. Tithes and offerings received are spent on the direct operating costs of the Church in the year that they are received. The Foundation Board's objectives are to raise and preserve capital to form an endowment that is, in turn, invested and generates income that can be used by the Church. The Foundation Board could also help with buyer financing if required.

Present value of the Property:

The Property has five bedrooms, three and one-half baths, and is approximately 3,100 sq. ft., and is located on a 10,080 sq. ft. lot. The current Zillow estimate for the Property is approximately \$2.6 million. This value is a third-party estimate and does not include any costs of sale or equity. The ultimate value of a property is what a buyer in the market for a home will pay considering location, condition, features and cost to finance.

Current usage of the Property:

Currently, the Property is used as a parsonage for Pastor Michael Gondi and family. There is a written agreement in place with Pastor Gondi for a supplementary increase in compensation if the parsonage not available.

The Church's present savings level:

During the last four years, giving was insufficient to support the annual operating plans and savings were used to make up the difference. The Church's savings are reduced to the point where to safely support the cash flow requirements of the Church savings funds are no longer sufficient to support annual operating budget deficits.

The Bethel Foundation (the "Foundation") purpose and tax status:

The Foundation is a tax-exempt charitable foundation (US Internal Revenue Code section 501c (3) compliant) formed 28 years ago by the leadership of the Church.

The purpose of the Foundation is to provide income for the Church by receipt of gifts of property or estates for the exclusive benefit of the Church. Estate designations are made prior to the death of the benefactor usually as part of their estate planning process.

Current leaders of the Foundation Board:

The Deacon Board appoints members of the Foundation board. The current members and officers of the Foundation Board are Mr. Bob Harvey, Chair, Ms. Grace Dubuk, Treasurer, and Mr. Don Clanton, Secretary. The Senior Pastor of the Church is an ex-officio member of the Foundation.

The Foundation Board operations after transfer of the Property:

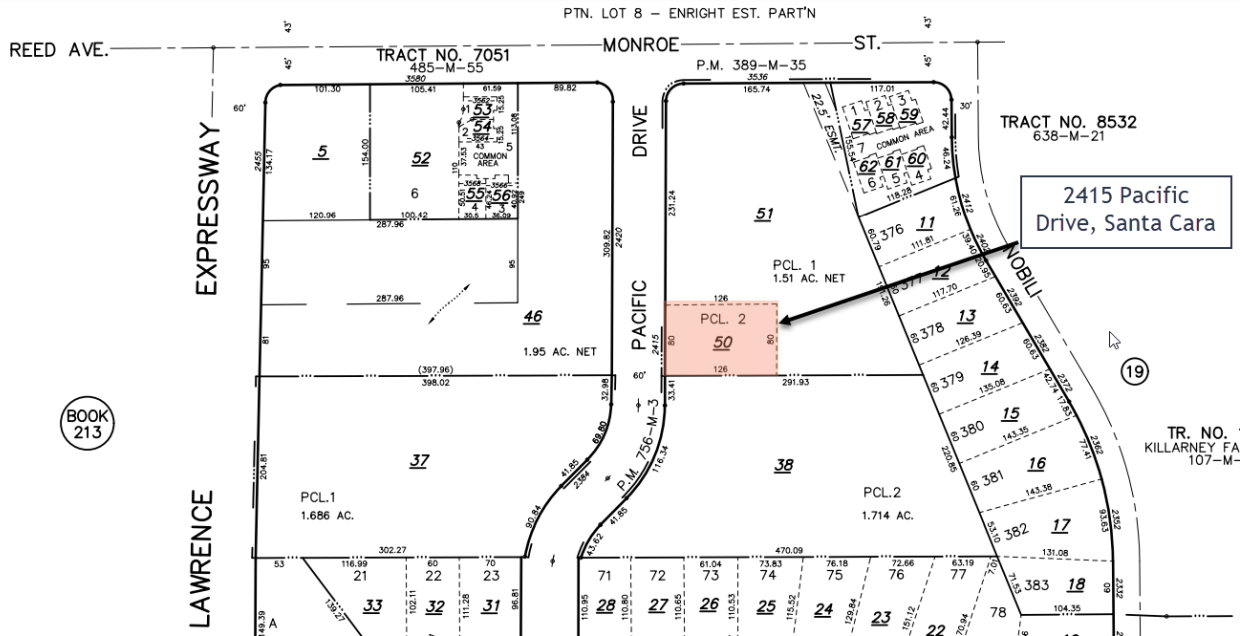
The Property will be sold after a fence line is repositioned to match the recorded lot line and preparations for sale are complete. The proceeds of the sale will be invested to produce income; that income will be transferred to the Church for use in the repair, maintenance and refurbishment of the Church's properties.

Approximate annual income expected from the Property sale:

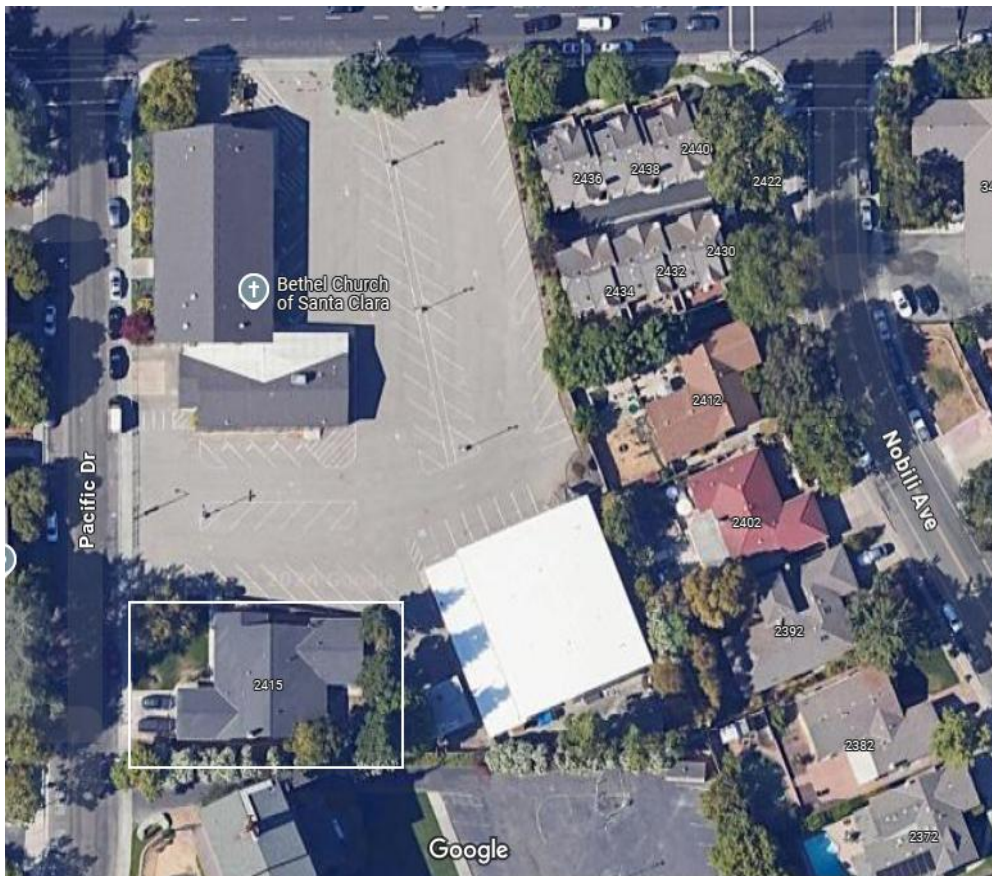
The proceeds of the sale will depend on market conditions, costs to prepare the Property for sale, and the cost of the sale. Any return on investment is a function of the risk of the investment. Lower risk investments, such as CDs or US Treasury notes, currently yield between 4 and 4.5% depending on the term. Higher risk investments could provide higher returns. The Foundation Board would determine the actual investments, but the investment strategy prioritizes preservation of the capital endowment over near-term returns.



Photograph of 2415 Pacific Drive, Santa Clara



Santa Clara County Tax Assessors' Parcel Map of 2415 Pacific Drive (in shaded box).



Satellite View of Santa Clara Campus; 2415 Pacific Drive is outlined in white box.