

JOHN SMITH ENDOWMENT FUND

“The fear of the Lord is the beginning of wisdom; all who follow His precepts have good understanding. To Him belongs eternal praise.”

-Psalm 111:10

In praise to God and our Lord and Savior, Jesus Christ, who is the Way, the Truth and the Life, the undersigned, motivated by the Holy Spirit, establish the John Smith Endowment Fund (the “Fund”) according to the following terms and conditions.

This Agreement is made by and between John Smith, of City, State (the “Donor”), and The Lutheran Church--Missouri Synod Foundation, 1333 South Kirkwood Road, St. Louis, Missouri 63122 (the “Foundation”).

1. The Fund will be established as a separate fund of the Foundation, with a contribution to be made by the Donor through his will, and it is agreed that the Donor, or any other persons, may, at any time hereafter, during life, by Will, or otherwise, transfer money or property to the Foundation to be added to the Fund and thereafter dealt with in all respects as part thereof.
2. The principal of the Fund will be invested and reinvested from time to time in such manner as may be determined by the Foundation.
3. The net income of the Fund will be distributed, at least annually, as follows:
 - 1/4 to Immanuel Lutheran Church (LCMS), City, State;
 - 1/4 to Lutheran High School, City, State;
 - 1/4 to the Lutheran Church--Missouri Synod Board for Mission Services, St. Louis, Missouri, for LCMS World Missions; and
 - 1/4 to Concordia Seminary, City, State.
4. If any of the organizations to which distribution is to be made pursuant to paragraph 3 of this Agreement ceases to be a Qualified Organization (as hereinafter defined), such distribution shall not be made to such organization but shall instead be made to the other Qualified Organizations listed in the paragraph. The amount to be allocated to each Qualified Organization shall be a fraction of the non-Qualified Organization’s share, the numerator of which is the Qualified Organization’s share as set forth in the paragraph and the denominator of which is the total of all the Qualified Organization’s shares as set forth in the paragraph. If there are no Qualified Organizations listed in the paragraph then distribution shall be made to such other Qualified Organization(s) as shall be selected by the Foundation in its sole discretion. For purposes of this paragraph, the term “Qualified Organization” shall mean an organization which (i) is in existence; (ii)

- is a part of or affiliated with the Lutheran Church--Missouri Synod ("LCMS")(i.e., included in the group ruling issued by the Internal Revenue Service or otherwise officially recognized by the LCMS); and (iii) is an organization described in each of Sections 170(b)(1)(A), Section 170(c), Section 2055(a) and Section 2522(a) of the Internal Revenue Code of 1986, as amended.
5. The Foundation will be reimbursed for all actual and necessary expenses paid and incurred with respect to the Fund, in accordance with the Foundation's policy on Reimbursement of Expenses, which is in effect at the time such expenses are paid or incurred. Any such expenses will be charged to the income of the Fund, if available, and then from principal.
 6. In the event the Foundation determines, in its sole discretion, that the cost of administering the Fund is unduly burdensome in proportion to the value of the Fund, the Foundation may terminate the Agreement and pay the entire principal balance of the Fund, together with all accrued income, to the ministries identified in paragraph 3 above.
 7. If, in the opinion of the governing board of the above organization(s), the purpose for which the distribution is to be used becomes impractical, then the board may designate an alternative use for the funds that is consistent with its original purpose.

This Agreement is executed this ____ day of _____, 200_.

John Smith

The Lutheran Church--Missouri Synod Foundation

By: _____
**Vice President
Customer Support**

OTHER ALTERNATIVE PAYOUT PROVISIONS

A. DISTRIBUTIONS FROM PRINCIPAL AND INCOME

The Foundation will annually distribute an amount equal to 6% of the annual fair market value of the Fund as follows:

50% to Immanuel Lutheran Church (LCMS), City, State; and

50% to Lutheran High School, City, State.

The annual fair market value of the Fund will be determined on June 30 of each year. The fair market value will include the entire principal balance of the Fund, together with any accrued income. Distributions will be made from net income and, to the extent the net income is insufficient, from principal. Any excess net income will be added to principal.

B. DISTRIBUTIONS FOR A TWENTY YEAR PERIOD

In the year following the date of death of the surviving Donor, an amount equal to 1/20 of the principal balance of the Fund will be distributed, from the principal of the Fund, in accordance with paragraph 3. In each year thereafter, the denominator will be reduced by one and such fractional amount of the principal balance for that year will be distributed, from the principal of the Fund, in accordance with paragraph 3 (i.e., year 2 - 1/19; year 3 - 1/18; year 4 - 1/17; year 5 - 1/16.....). Upon the date which is 20 years following the date of death of the surviving Donor, the entire remaining principal balance of the Fund, together with any accrued income, will be distributed in accordance with paragraph 3 and the Fund will terminate.

C. DISCRETIONARY DISTRIBUTIONS FROM PRINCIPAL

The Board of Trustees of the Foundation, in its sole discretion, may distribute the corpus of the Fund any time to the entities and for the purposes stated in paragraph 3.