



August 8, 2019

HOPE SEEDS - QUESTIONS AND ANSWERS

For Hope Seeds, Inc., 2019 has truly been a season of change. This change has involved staffing, facilities, and operations. Much of what has transpired has directly flowed from initiatives in the strategic plan adopted by the Board during January of 2018. This plan was developed to best position Hope Seeds for sustainability and continued service to our neighbors worldwide.

Other actions have had their origin in unanticipated developments that we have needed to address. During seasons of change, it is to be anticipated that there will be questions and concerns on the minds of our valued stakeholders, including ministry partners, seed and education recipients, donors, and volunteers. In the interests of transparency and good communication, we have prepared this "Questions and Answers" document to provide perspectives from the Hope Seeds Board of Directors for some of the common questions we have received. In preparing these answers, we have consulted with and are well aligned with our Hope Seeds Executive Director/CEO and staff.

We offer our perspectives with humility and gratitude. Our humility comes from the knowledge that we are still imperfect partners and co-laborers with our Lord in joining his work of renewal and redemption. Our gratitude arises from the faithful and generous support of the work of Hope Seeds by our partners and supporters across the U.S. and the world.

Please keep the Board and Staff of Hope Seeds in your prayers as we continue forward with exciting developments for the next chapters of work by Hope Seeds and our partners.

If you have additional questions or would like to further discuss any of the topics raised in this Q&A document, please contact us via email (info@hopeseeds.org) or phone (941-228-5660) and we'll arrange to follow up with you.

Yours in Christ,

The Hope Seeds Board of Directors

Dwight Shackelford, Chair
Karen Pabst, Vice-Chair
Gary Van Dyke, PhD, Treasurer
Ken Racke, PhD, Secretary
Art Pabst, PhD, Member

General Transition

Q. It seems that a lot of changes have gone on with Hope Seeds recently. What are the most significant changes and why are they happening now?

- A. Two key recent changes include the appointment of a new Executive Director, David Balsbaugh, and a consolidation and re-organization of Hope Seeds operations at the Bradenton, FL, headquarters office. Associated with these changes were the departure from Hope Seeds of long-time director Mike Mueller and the ongoing sale of the Bertrand, MO, campus. These and other changes stem from implementation of the updated strategic plan for Hope Seeds adopted by the Board in January of 2018, after two years of discussion among Board members and staff. The overall goal of the plan is to best position Hope Seeds for the next 20 years of service worldwide by renewing and refreshing our structure, programs, and approaches for changing times.

Q. Is the mission and primary work of Hope Seeds changing? Will the truth of the gospel continue to be shared as well as garden seed?

- A. The overall mission of Hope Seeds is not changing, and it remains as follows:

Hope Seeds is a Christian, charitable ministry that seeks to improve the nutrition of the poorest in the world, by providing quality garden seed and agricultural education through Christian missionaries and organizations.

The gospel message of hope pamphlet continues to be included with each seed shipment as a testimony to the source of abundant life, found in the work of God through Jesus. As an organization we are committed to sharing the love and truth of Christ with our worldwide neighbors, so that both sustainable gardening and hope in Christ will take root and grow.

Q. What is the relationship of Hope Seeds to Day 3 Seeds?

- A. Hope Seeds does not have a working relationship with Day 3 Seeds (D3S), a non-profit organization launched recently by former Hope Seeds Director Mike Mueller. Our understanding is that “*The core function of D3S is vegetable seed development, focusing on open-pollinated vegetable species*” (from Day 3 Seeds introductory newsletter), and we understand that it will be operated in an integrated fashion with the Mueller family for-profit plant sales business. Hope Seeds gardening efforts instead rely on obtaining readily available, high quality garden seed from commercial seed producers.

Q. Who have been the key ministry partners for Hope Seeds, and are they changing?

- A. Hope Seeds has historically partnered with a number of ministry organizations, missionaries, and churches and, although we are currently evaluating our relationships with existing partners and exploring cooperation with new partners, specific changes have not been made at this time. A few of the many organizations Hope Seeds has and continues to work with regarding distribution of seed, educational materials, and the message of hope, include Artists for Soup, Chapin Living Waters, ECHO, Haiti Helpers, Hope Seeds for Souls East Africa, Love a Child, Hearts Afire, Psalm139LOVE, and We Care Ministries. Hope Seeds has also established partnerships with a number of churches in the U.S. with respect to seed packing and preparation for shipments overseas. We at Hope Seeds couldn't do what we do without such partnerships, and we are thankful for the many co-laborers God has connected us with. As we look to the future, one goal we have is to strengthen relationships with key organizations, both current and new, that support the most sustainable approaches for gardening efforts.

Q. Can you explain the relationship of Hope Seeds, Inc. with Hope Seeds for Souls East Africa?

- A. Hope Seeds for Souls East Africa (HS4SEA) is a Christian ministry based in Uganda, which is focused on empowering local communities with quality garden seed and education. HS4SEA was founded in 2015 by current Executive Director Raymond Kaija, a long-time Hope Seeds partner. Hope Seeds has supported Raymond's agricultural mission efforts in Uganda for more than a decade, and we provided the initial strategic direction and funding for establishment of HS4SEA as a sister organization. Hope Seeds continues to partner and support the work of Raymond Kaija and HS4SEA by providing garden seed as well as advice and funding for HS4SEA's activities, including Hope Gardens and The Widow's Seed. It should be noted that, while Hope Seeds is a partner, HS4SEA is an independent organization, established as an official Non-Governmental Organization (NGO) in Uganda and with its own Board of Directors, staff, budget, and ministry plan.

Q. Is Hope Seeds going to continue to be involved in selling plants as a fundraiser?

- A. Hope Seeds decided at the beginning of 2018 to discontinue involvement with retail plant sales as a fundraising effort. For several years at the Missouri campus, Hope Seeds land, greenhouses, equipment, and staff were heavily involved with plant sales in association with the Mueller family commercial plant sales business. Over time, we realized that such

efforts, while contributing moderate funds to our budget (<10% of our annual income), were consuming inordinate amounts of staff time. We believe that our Executive Director, Mike Mueller, was spending nearly half of his time engaged in Mueller family business. This and accounting/accountability difficulties, made it very difficult to differentiate between Hope Seeds' *charitable* work and Mueller family *for-profit* business activities.

Q. Will Hope Seeds be sponsoring any garden seed-related research or heirloom variety preservation?

A. Hope Seeds also decided recently to discontinue efforts related to vegetable garden seed research and development, including heirloom variety preservation. Since its founding 20 years ago, nearly all the garden seed supplied by Hope Seeds to our ministry partners worldwide has been commercially purchased. Our plan is to continue that practice.

Q. Given all the recent changes, why should I continue to support the work of Hope Seeds?

A. God has been at work and continues to be at work through Hope Seeds and its many partners in meeting seed and education needs, and in bringing the good news of Jesus to those who struggle with food insecurity and hopelessness. The Lord's faithfulness during these 20 years since Hope Seeds was founded, through many changes and challenges, provides us with a confidence in his guidance and provision. We are extremely excited about the next chapters of the work of Hope Seeds, about continuing with existing program activities as well as exploring and implementing innovative, new approaches. The best is yet to come, and we invite you along on the journey of humble service God has called us to.

Leadership and Staffing

Q. Who are the individuals currently on staff with Hope Seeds? What are their roles and responsibilities?

A. Hope Seeds currently has two full-time and one part-time paid staff positions. These are:

David Balsbaugh - Executive Director/CEO (full-time) – Dave received a degree in International Agriculture Business and Community Development and has more than 20 years of experience in work related to agricultural missions and education. He has spent time as a missionary in Haiti, Malawi and Mozambique, and previously served as Director of Sustainable Development for Love A Child and Director of Educational Programs for ECHO. Dave joined Hope Seeds during the summer of 2018 and was named Executive Director/CEO in February of 2019. Dave currently resides in Anna Maria, Florida.

The Executive Director/CEO Establishes and implements ministry goals, leads and guides the day-to-day operations of Hope Seeds, manages budget and spending, establishes and facilitates partnerships with ministry organizations, serves as chief spokesperson for the ministry, directs communications, and serves as staff liaison with the Board of Directors.

Maxine Balsbaugh - Office Manager (full-time) – Maxine received a degree in Interdisciplinary Studies, and has experience in business, education, and missions. Maxine has spent time in Haiti as a missionary through the Love A Child organization. Maxine joined Hope Seeds during the summer of 2018 and was appointed as volunteer Office Manager in February and salaried Office Manager in July of 2019. Maxine currently resides in Anna Maria, Florida.

The Office Manager organizes office operations, supervises financial tracking, invoicing and donations, manages record keeping, develops donor and volunteer communications, and coordinates volunteer activities.

Mike Sullivan - Ministry Development Director (part-time) – Mike received a degree in Business/Marketing and worked for more than 20 years for Procter and Gamble. Mike has extensive experience with aid organizations. He was at ECHO for 15 years where he served as its first Development Director, and subsequently was a member of the leadership team for Love A Child. Mike joined Hope Seeds in January of 2018. Mike currently resides with his wife Jan in Fort Myers, Florida.

The Ministry Development Director facilitates donor and granting agency interactions and assists with communication efforts.

It should be noted that much of the work of Hope Seeds is accomplished by unpaid volunteers, and their contributions for office support, seed packing, finance, and communications are crucial to the effectiveness of our efforts. We are thankful to our Lord for his abundant provisions through the hearts, minds, and hands of these faithful partners.

Q. Mike Mueller was a co-founder of Hope Seeds and had served as Executive Director for many years. Why was a leadership change needed?

A. When Hope Seeds adopted a revised strategic plan in early 2018, after two years of discussion among Board members and staff, one of the key strategic initiatives was to "*Arrange for a smooth transition of leadership and optimized staff for meeting future needs*". In fact, an impetus for revision of the strategic plan at that time was the acknowledgement by Mike

that the Board needed to look to the future in anticipation of his retirement. In early 2019, the Board felt that the time for a change in leadership of Hope Seeds was right for several reasons.

First, the Board believed that Mike had taken Hope Seeds about as far as it was going to go in terms of its development, and a new generation of leadership with fresh vision, ideas, and energy was needed to move the ministry forward. This was the primary reason that a new Executive Director, David Balsbaugh, was appointed in February of 2019 to replace Mike Mueller.

Second, Hope Seeds had decided to discontinue involvement with commercial plant sales and, with Mike continuing to spend nearly half of his annual effort running the Mueller family business, it was desirable for Hope Seeds to move from having a part-time to a full-time Executive Director to help bring the ministry to the next level.

Third, Hope Seeds had decided to discontinue seed development and heirloom variety preservation efforts. The Board understood Mike's continuing interest in this area and encouraged him to establish a new entity for his research with the expectation that the new entity and Hope Seeds could cooperate. In anticipation of that cooperation, Hope Seeds compensated Mike for his research. The anticipated cooperation did not occur.

Finally, the Board recognized that a time-limited opportunity existed in early 2019 to promote David Balsbaugh, currently serving as Missouri campus site manager for Hope Seeds, to the leadership role. David was being recruited by other ministries and it was felt that God's providence in bringing David to Hope Seeds should be recognized as he appeared an ideal fit for the Executive Director role and was Mike's hand-picked successor.

Q. How was Mike's successor as Hope Seeds Executive Director selected?

- A. David Balsbaugh was recruited during April of 2018 by Mike Mueller to join him in the work of Hope Seeds and assist him with Missouri campus operations during a period when Mike was recovering from surgery. In announcing the hiring of Dave, Mike pointed out that Dave and his wife Maxine represented an answer to prayer and expressed hope that the Board, from whom he expected some resistance, would recognize *"their ultimate value to the future of HS and its transition"*. As the Board understood more about Dave's depth of experience with agricultural mission work and became acquainted with his thoughtful, hardworking, and friendly style, we were all won over as strong supporters. To this end, the Board during its September 2018 meeting asked Mike to draft a role profile and personal ministry plan by year's end for a full-time Associate Director with intentions of confirming Dave in this role. Dave was subsequently recognized first as Associate Director and then, during the February 2019 Board meeting, selected unanimously by the Board as the next Executive Director of Hope Seeds.

Q. Why is Mike Mueller no longer part of Hope Seeds? Is it true that he has been fired?

- A. As plans were made and finalized during early 2019 for David Balsbaugh to succeed Mike Mueller as Executive Director of Hope Seeds, the Board recognized the critical importance of ensuring Mike was retained in an important role within Hope Seeds to facilitate the transition. To this end, Mike was appointed at the February 2019 Board meeting to fill the newly created role of Director Emeritus for Hope Seeds. The role was established *"to honor and recognize the longstanding contributions of Hope Seeds co-founder Mike Mueller and enable him to remain close to the heartbeat of the organization in supporting the effective ramp-up of newly appointed Executive Director Dave Balsbaugh."* The Director Emeritus role was designated as a part-time position, with a generous annual salary, to allow Mike the freedom to continue with his plant sales activities via the Mueller family business and to engage in further seed development work via his new organization, a step that the Board encouraged him in 2017 to take. Indeed, during February of 2019 Mike embraced the role of Director Emeritus and indicated to the Board, *"I expect to report to and work alongside Dave as Ex. Dir. for years to come."* So, the Board had every expectation that the pathway for a smooth Hope Seeds leadership transition had been arranged, with support of both incoming and outgoing leaders.

However, by March of 2019 Mike was having serious second thoughts about having agreed to step aside from the Executive Director role to serve as Director Emeritus. As incoming Director Dave Balsbaugh began to assume supervision of finances and staff, Mike began to have great difficulties with the changes and the fact that he was no longer in control. These difficulties impeded cooperation for the transition and began to be expressed in inappropriate ways and with increasingly unreasonable demands by Mike to the new Executive Director and the Board. Thus, during March, Mike informed the Board that he no longer considered himself a Hope Seeds staff member and effectively left the organization.

Q. I have heard that Mike Mueller is unhappy about his treatment by the Board. What has the Board done to address his needs and concerns?

- A. The Hope Seeds Board has empathy for Mike Mueller and it is unfortunate he has experienced such mixed feelings about the leadership transition which occurred earlier this year. We are very appreciative of the many contributions Mike as co-founder and longtime Executive Director of Hope Seeds made to the organization. It is important to note that Mike and the Board had agreed on both the need for leadership transition and the selection of David Balsbaugh as his successor. The

timing of the leadership change was a Board decision. The Board made a substantial effort to safeguard the interests and financial situation of the Mueller family by creating a new, well-compensated and part-time emeritus position. Mike has found it very difficult to cope with the change. This difficulty in transitioning from the “founding” generation of leadership to the next generation is not at all unusual in the life of a ministry or organization and is commonly referred to as “founder’s syndrome”. The Board and staff have made repeated attempts to reach out, but Mike Mueller has been uncooperative or unresponsive. Although hard feelings and a current lack of cooperation have resulted from Mike’s situation, it is our prayer that there would be a resolution of all transition matters and a reconciliation achieved.

Facilities

Q. Where is the Hope Seeds main office located? How can I contact staff and where should I send my donations?

- A. The Hope Seeds headquarters location, since its founding some 20 years ago, has been in Southwestern Florida. We currently maintain our administrative office and primary seed cold storage in Bradenton. Contact information for queries and donations is shown below:

Hope Seeds, Inc.
4501 Manatee Ave W #161
Bradenton, FL 34209
Phone: 941-228-5660
Email: info@hopeseeds.org
Website: www.hopeseeds.org

Q. Why is Hope Seeds closing the Bertrand, Missouri, campus? Was it not an important part of the ministry?

- A. Hope Seeds added the Bertrand, Missouri, campus in late 2010 upon its purchase from the Mueller family, and it has been a difficult but necessary decision for us to cease our operations there. The Board has become concerned in recent years with the high cost of maintaining the site and its underutilization for ministry activities such as education and training. An evaluation of Hope Seeds facilities commissioned by the Board in early 2019 recently returned the conclusion that, while moderately well-suited as a site for the Mueller family plant sales business, the benefits realized from the site for Hope Seeds ministry activities did not justify its continued operation. Therefore, rather than, as a small ministry, attempt to maintain two separate facilities, the Board decided during late April of 2019 to consolidate and re-organize Hope Seeds operations at the Bradenton, FL, headquarters office, and to put the Bertrand, MO, campus up for sale.

Q. Does closing of the Hope Seeds Bertrand, Missouri, campus mean that my volunteer efforts or donations there were wasted?

- A. There were good things that occurred at our Bertrand, Missouri, campus, enabled by our many volunteers and donors, and we mustn’t minimize these. There were a couple of training workshops held there over the years, we utilized the property as a primary seed cold storage and shipping location, and some seed packing was organized at the site in recent years. The decision to depart the site was based on our desire to optimize facilities and associated costs so that we could make the best future use of ministry funds and efforts. We anticipate that funds resulting from the sale of the valuable Bertrand campus will be reinvested in the Hope Seeds ministry facilities at our headquarters location in Florida.

Q. With Hope Seeds closing the Bertrand campus, what will become of seed packing activities in the Southeastern Missouri area? Will they be continued?

- A. We treasure and rely heavily on the seed packing contributions provided by our many volunteers in the Southeastern Missouri area, and these important activities are planned to continue. Retired Board Chair Luella Franke is serving as the coordinator of our seed packing events in the region, and we have established a small seed storage depot with her.

Q. How can Hope Seeds operate without a farm or greenhouse? Aren’t these needed for educational and seed-handling activities?

- A. Seed cold storage and shipping activities are currently being handled in their entirety by our Bradenton, Florida, office. Future needs of the ministry will require an expansion of our seed handling activities. In addition, we believe that having access to a site where educational and gardening demonstration activities can occur is an important consideration. At present, we are exploring various options in the Southwestern Florida region in terms of expanded facilities for educational activities, demonstrations, and seed handling.

Board of Directors

Q. What is the role of the Hope Seeds Board, and what relationship does it have with the Executive Director/CEO and staff?

- A. As with any legally formed corporation, the governing body of Hope Seeds is its Board of Directors. The role of the Board is to direct the affairs of the organization through the process of governance. The primary focus of the Board is on strategic planning, oversight, and policy, and not on day-to-day management of the work of Hope Seeds. One of the most important responsibilities of the Board is to hire and work closely with a skilled Executive Director/CEO, to whom is delegated operational management of programs and supervision of staff.

Q. Who are the individuals currently serving on the Hope Seeds Board?

- A. There are currently five members of the Hope Seeds Board, several of whom are also officers:

Dwight Shackelford – President – Dwight received a degree in Business Administration, served as a naval officer, and worked in France for 13 years before establishing ALDES, the U.S. subsidiary of a French corporation, of which he was CEO for 25 years. Dwight has been involved with the Mission and Outreach Committee of his church for 17 years, including trips to the Dominican Republic, and also served on the Finance Committee. Dwight resides with his wife, Arlette, in Sarasota, Florida. After many years of volunteering for Hope Seeds with his wife, Arlette, Dwight joined the Board in January of 2016.

Karen Pabst – Vice President – Karen received a degree in Nursing and has worked in healthcare, served as a homemaker, and been active as a teacher with Bible Study Fellowship. Karen has served overseas as a missionary in Kenya, Tanzania, and Uganda, and for the past decade has, along with her husband, Art, co-led partnership efforts with the Shekkacho people in Ethiopia. Karen currently resides with Art in Davis, California and Bradenton, Florida. Karen joined the Board in January of 2017.

Gary Van Dyke, PhD – Treasurer – After a childhood on an Iowa farm, Gary received degrees in plant ecology and botany. He spent 30 years as a Professor of Biology at Trinity Christian College where, in addition to teaching on such topics as botany, ecology, and global hunger issues, he conducted field research. Gary resides with his wife Laura in Bradenton, Florida. Gary has served as a Hope Seeds volunteer since in 2003 and joined the Board in 2008.

Ken Racke, PhD – Secretary – Ken received degrees in Biology and Entomology and has worked as a researcher and regulatory leader for Corteva Agriscience for 30 years, with an emphasis on crop protection chemistry. He has served as a volunteer organizer for agricultural chemistry projects, international scientific conferences, and technology transfer workshops in scientifically emerging countries for more than 25 years. Ken resides with his wife Sharon in Carmel, Indiana. Ken joined the Board in January of 2015.

Art Pabst, PhD – Art received a degree in Civil Engineering and was employed for some 40 years at the Hydrologic Engineering Center in Davis, California. Art has served as a missionary in Kenya, Tanzania, and Uganda, and for the past decade has, along with Karen, co-led partnership efforts with the Shekkacho people in Ethiopia. Art currently resides with his wife Karen in Davis, California and Bradenton, Florida. Art joined the Board in January of 2017.

Q. How are Board members and Officers for Hope Seeds chosen?

- A. Board members are appointed and reappointed annually, at the first Board meeting of each year. The process of identification, recruitment, and nomination of new Board members is a collective responsibility of the entire Board with the assistance of the Executive Director/CEO. As outlined by the Governance Manual, the Board should be comprised of a committed and diverse group of individuals of faith, Christ-like character, and skill. Familiarity and experience with ministry, missions, agriculture, business administration, or education is desirable among Board candidates.

Elections among Board members for the office of Chair, Vice Chair, Treasurer, and Secretary are held annually at the first Board meeting of the year.

Q. What is the accountability of the Board? Are there rules that govern the actions of the Board and its Officers?

- A. The Board of Directors receives its temporal authority from and is accountable to its members, stakeholders, and the government, which grants the organization its non-profit (501(c)3) status. Key stakeholders include the staff, donors, clients and strategic partners of Hope Seeds. The Board recognizes the ultimate authority of God, and is committed to prayerfully discerning His will and direction for the Hope Seeds organization.

The rules governing the activities of the Board include State and Federal regulations as well as requirements captured in the Articles of Incorporation, Bylaws, and Governance Manual. Since Hope Seeds is an accredited member of the Evangelical Council for Financial Accountability (ECFA), the Board is responsible for good faith compliance with all ECFA Standards related to organization, operations, and finance.