

BYLAWS
OF
CHRIST EVANGELICAL LUTHERAN CHURCH
IN PACIFIC BEACH

November 28, 2005

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A California Nonprofit Religious Corporation

Section 1.
NAME

1.1. The name of the Corporation is CHRIST EVANGELICAL LUTHERAN CHURCH IN PACIFIC BEACH.

Section 2.
OFFICE OF THE CORPORATION

2.1. The principal office for the transaction of the business affairs and activities of the corporation is located at: 4761 Cass Street, San Diego California 92109, in San Diego County.

Section 3.
MEMBERS

- 3.1. Qualifications and Rights of Membership. Qualifications of members and classes and terms of membership shall be those described by Chapter 8 of the Constitution of this congregation. A Confirmed member may be designated either as historic or as a mission partner. A historic member shall, by choice, have a sustaining relationship with the congregation, but may choose to not be participating currently in outreach activities that are characteristic of a mission partner.
- 3.2. Transfer of Membership. No member may transfer for value a membership or any right arising from membership, and all rights of membership shall cease on the member's death, resignation or removal.

Section 4.
MEETINGS OF MEMBERS

- 4.1 General Meetings. A general meeting of the members shall be held after the January meeting of the Council and before the February meeting of each year.
- 4.2 Special Meetings. A special congregational meeting, called in accordance with Chapter 10 of the Constitution of this congregation, may be convened in two or more parts (for example, at each of the services of worship on a given Sunday), provided that the parts are so identified in the meeting notice. Only the noticed agenda may be considered at each of the meeting parts, and the results of any ballot shall be the sum of the votes cast at each of the meeting parts.

- 4.3 Manner of Casting Votes. Votes may be cast by voice or ballot, unless stipulated otherwise in the Constitution.
- 4.4 Approval by Majority Vote. If a quorum is present and unless otherwise provided in the Constitution of this congregation, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members.
- 4.5 Record Date. The Council may fix in advance a reasonable record date for determining the members entitled to notice or to vote at any meeting, to vote by written ballots or to exercise any other rights with respect to any lawful action.

Section 5.

CONGREGATIONAL COUNCIL

- 5.1 Membership and Powers. The membership and powers of the Council shall be those described in Chapter 12 of the Constitution of this congregation.
- 5.2 Place of Meetings. Regular or special meetings of the Council may be held at any place within or outside of California that the Council may designate or, if not so designated, meetings shall be held at the corporation's principal office. Notwithstanding the above provisions of this Subsection, a regular or special meeting of the Council may be held at any place consented to in writing by all Council members, either before or after the meeting. If such consents are given, they shall be filed with the minutes of the meeting.
- 5.3 Meetings by Telephone or e-mail. Any meeting, regular or special, may be held by conference telephone, e-mail or similar communication method, as long as all Council members participating in the meeting can respond to one another. All such Council members shall be deemed to be present in person at such a meeting.
- 5.4 Regular Meetings. Regular meetings of the Council may be held without call or notice at such time and place as the Council shall fix from time to time.
- 5.5 Special Meetings. Notice of the time and place of special meetings of the Council shall be given to each Council member by one of the following methods: (a) personal delivery of written notice; (b) by first class mail; (c) by telephone; (d) by e-mail; or (e) by telegram. Notices sent by mail shall be deposited in the US Mails at least four days before the time set for the meeting, and direct notices shall be delivered at least forty-eight hours before the time of the meeting. The notice shall state the time and place of the special meeting, but need not specify the purpose of the meeting.
- 5.6 Adjournment. A majority of the Council members present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- 5.7 Action Without a Meeting. Any action that the Council is required or permitted to take may be taken without a meeting, if all members of the Council, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as the

unanimous vote of the Council. Such consents shall be filed with the minutes of the proceedings of the Council.

Section 6.

OFFICERS

6.1 Officers of the Corporation. The officers shall include those described in Chapter 11 of the Constitution of this congregation. The corporation may also have, at the Council's discretion, such other officers as may be appointed.

6.2 Removal of Officers. Any officer may be removed, with or without cause, by the Council.

6.3 Resignation of Officers. Any officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective.

6.4 Office Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in this Constitution and Bylaws for regular appointment to that office, provided that such vacancies shall be filled as they occur.

Section 7.

RESPONSIBILITIES OF OFFICERS

7.1 President. The President shall preside at Council meetings and shall exercise and perform such other powers and duties as may be assigned by the Council or prescribed by these Bylaws.

7.2 Vice President. In the absence or disability of the President, the Vice President shall perform all duties of the President. When so acting, the Vice President shall have all powers of, and be subject to all restrictions of, the President. The Vice President shall have such other powers and perform such other duties as the Council or these Bylaws may prescribe.

7.3 Secretary.

7.3.1 Minutes. The Secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Council may direct, a book of minutes of all meetings, proceedings and actions of the Council, of committees to the Council and of members' meetings. The minutes of meetings shall include the time and place of holding, whether the meeting was general or special and, if special, how authorized, the notice given, the names of those present at Council and committee meetings, and the number of members present or represented at members' meetings. The Secretary shall keep or have kept at the corporation's principal office in California, a copy of the Constitution and these Bylaws, as amended to date.

7.3.2 Membership Records. The Secretary shall keep, or cause to be kept at the corporation's principal office or at a place determined by Council resolution, a record of the corporation's members, showing all members names, addresses and class of membership.

7.3.3 Notices, Seal and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of the members, of the Council and of committees of the Council, as required by these Bylaws to be given. The Secretary shall keep the corporate seal in safe custody, and shall have such other powers and perform such other duties as the Council or these Bylaws may prescribe.

7.4 Treasurer.

7.4.1. Books of Accounts. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open to inspection by any Council members at all reasonable times.

7.4.2 Deposit and Disbursement of Money and Valuables. The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Council may designate, shall disburse the corporation's funds as the Council may order, shall render to the President and Council members, when requested, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the Council or these Bylaws may prescribe.

7.4.3 Bond. If required by the Council, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the Council for faithful performance of the duties of this office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in his possession or under his control on his death, resignation, retirement or removal from office.

Section 8.

CONGREGATION COMMITTEES

8.1 Committees and Task Forces. The committees described in Chapter 13 of the Constitution of this congregation shall be appointed as required. Other committees and task forces may be created by resolution adopted by a majority of the Council members then in office, provided a quorum is present.

8.2 Executive Committee. The Secretary shall report the actions of the Executive Committee to the Council at each regular meeting of the Council. This Committee shall have the authority of the Council, except for the following:

- (1) Take any final action on matters that under the California Nonprofit Religious Corporation Law also require approval of a majority of all congregation members.
- (2) Fill vacancies on any committee that has the authority of the Council.
- (3) Amend or repeal these Bylaws or adopt new Bylaws.

(4) Create any other committees or task forces of the Council or appoint members of committees of the Council.

8.3 Audit Committee. As described in Chapter 13 of the Constitution of this congregation, the Audit Committee shall not include members of the Council. In addition, the Audit Committee shall not include the Treasurer, members of the Finance Committee or the Stewardship Committee. It will be the duty of this Committee to regularly determine that the financial records of the Church and the Church organizations are being maintained accurately and completely. The Committee will promptly report any exceptions noted to the Council, and will provide a summary report to the Annual Congregational meeting.

8.4 Mutual Ministry Committee. The Mutual Ministry Committee described in Chapter 13 of the Constitution shall provide confidential support to the pastors to assist them in carrying out their mission. The Committee should serve as a resource for aiding the pastors to resolve issues that require confidentiality. They will be responsible for determining that pastors receive adequate support for continuing education and for purchasing reference materials.

8.5 Finance Committee. The Council may appoint a Finance Committee or Task Force that shall regularly review the financial affairs of the congregation, and bear primary responsibility for financial management. It shall make timely recommendations to the Council regarding decisions on investments, insurance, bank relationships and accounting. The Committee is responsible for all financial reporting to the Council, the congregation and the Evangelical Lutheran Church in America. The Committee shall prepare for the Council a draft budget for each fiscal year, and assist in the presentation of budget proposals to the congregation. The Treasurer is an ex-officio member of the Finance Committee.

8.6 Personnel Committee. The Council may appoint a Personnel Committee to be responsible for determining that personnel records are properly maintained, that all employees receive a performance appraisal annually, that laws pertaining to affirmative action are complied with, and that an appropriate compensation program for pastors and staff is administered.

Section 9.

LUTHER VIEW APARTMENTS, INC.

9.1. Luther View Board Members. Luther View Apartments, Inc., is a corporation chartered separately from Christ Evangelical Lutheran Church in Pacific Beach. The members of this congregation are also the shareholders of Luther View Apartments, Inc. The Council shall appoint the members of the board of directors of Luther View Apartments, Inc.

Section 10.
ENDOWMENT FUND

10.1 Purpose. The general purpose of the Endowment Fund is to enhance the work of the congregation by supporting ministries and stewardship opportunities additional to or apart from the ordinary course of operation of the congregation. The Council shall decide for what purposes the Endowment Fund income is to be used. The Council may direct that gifts or special income received by the Church, the use for which has not been designated by the donor or other source, be deposited in the Endowment Fund as if the Council itself were the donor.

While the congregation has every intention of using the Endowment Fund as set forth in this Chapter, it does recognize that with the passage of time and changing circumstances, there may be a time when it is not feasible to utilize the Endowment Fund as was intended. Should that situation develop, the congregation or its successors in interest shall have the right and power to make such other use of the income and principal as is consistent with the charitable and religious purposes of the congregation in accordance with provisions of the laws of the State of California and preserving the principal of those gifts designated to be perpetual, carrying on the donor's wishes.

10.2 Endowment Fund Committee. The Committee, as custodian of the fund, shall consist of three (3) or more members, all of whom shall be voting members of the congregation. The Committee shall be appointed by the Council. Except as noted herein, the term of each member shall be three (3) years. The Council shall initially appoint three (3) members for terms of three (3), two (2) and one (1) years. Thereafter, at each annual organizational meeting of the Council, the Council shall appoint the necessary member for a term of three (3) years. No member shall serve more than two (2) consecutive terms. A partial term of less than one and one-half years shall not be counted for this purpose. A former Committee member may be re-appointed after a lapse of twelve (12) months between that person's election for a third term and the completion of that person's second term. The duties and powers of the Committee shall be described in the Bylaws.

10.3 IRS Section 501©(3) Tax Basis. Any gifts given to the Endowment Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes with Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provision of any future United States Internal Revenue Law. This Endowment Fund is created and shall be operated exclusively for Church purposes. No part of the income or property of the Endowment Fund shall inure to the benefit of or be distributable to any member, director or officer of the Church or to any other private person, except that the Committee is authorized and empowered to any reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the Endowment fund shall be the carrying on of propaganda or otherwise

attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Chapters, the Endowment Fund shall (1) not carry on any activities not permitted to be carried on by an entity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, or (2) do any act which should render contributions to the Endowment Fund non-deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 or corresponding provision of any future United States Internal Revenue Law.

10.4 Disolution. This Endowment Fund may be dissolved in accordance with the laws of the State of California. Upon dissolution of the Endowment Fund, and after the payment of all liabilities, obligations, costs and expenses incurred by the Endowment Fund, any remaining assets shall be distributed to such entities organized and operated exclusively for one or more purposes described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

10.5 Endowment Committee Duties. The Endowment Committee shall elect from its membership a chairperson and a secretary. The Financial Administrator of the congregation shall advise and act for the Committee as a non-voting member, and shall administer the records and accounts of the Endowment Fund. All Committee members shall endeavor to maintain a high degree of communication with the Council, other organizations within the congregation, and members of the congregation to nurture the total life and mission of the congregation and the Endowment Fund. The Pastor(s) and President of the congregation shall be ex-officio non-voting members of the Committee. The Committee may ask other members of the congregation to serve as advisory members and may with Council's authorization employ, at the expense of the Endowment Fund, such professional counseling or investment and legal matters as it deems to be for the best interest of the Endowment Fund.

10.6. Quorum. A quorum shall consist of all three (3) voting members of the Committee. The affirmative vote of two of the members present shall carry any motion or resolution.

10.7 Meetings. The Committee shall meet at least once every three (3) months at the Church at a time fixed by the Committee.

10.8 Rules and Standards. The Committee shall establish written rules and regulations as may be necessary for the conduct of the business. It shall adopt standards and goals to guide in the expenditure of the Endowment Fund, which it may amend, all within the stated purposes of the Endowment Fund. The Committee shall also adopt standards and goals pertaining to the acceptability of contributions as to their source, nature or restrictions, which it may also amend, all within the stated purposes of the Fund.

10.9 Endowment Committee Powers. In the administration of the Endowment Fund, the Committee shall have all powers and authority necessary to carry out the purposes of the Endowment Fund, including the following powers and authority on behalf of the congregation.

(1) To receive funds through gifts, memorials, bequests, wills, estates and other donations from any individual or corporation or organization or from any other source in cash or in other property acceptable to the Committee. All Endowment Fund accounts and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the congregation;

(2) To commingle the funds and property of Perpetual Unrestricted Funds, Restricted Funds and any other funds or property held in the Endowment Fund, and administer such funds as a single fund, so long as the Committee's records at all times accurately reflect the receipts and disbursements properly allocable to each fund and the property in each fund. The Committee shall in no event be required to make physical segregation of the assets of the Endowment Fund in order to conform to the directions of any individual donors, but may establish separate accounts in the accounting records;

(3) To retain any property in the form in which it is received or to convert the property if not otherwise restricted, or any part thereof, into cash, which must be immediately placed in federally insured accounts until such time as those funds become part of other long term investments;

(4) To receive the income, profits, rents and proceeds of the Endowment Fund and to collect and receipt for the same, and pay all administrative and necessary expenses in connection with it. Expenses are to be paid from the Endowment fund income first and secondarily from principal if necessary;

(5) To make, execute, and deliver the instruments necessary or proper for the accomplishment of the purposes of the Endowment Fund or any of the foregoing powers, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases and settlements;

(6) To determine what is principal and income according to accounting procedures;

(7) To hold investments in the name of CHRIST EVANGELICAL LUTHERAN CHURCH ENDOWMENT FUND;

(8) With approval of the Council, to employ and reasonably compensate from the Endowment Fund income, accountants, agents and attorneys to assist and advise in the execution of the Endowment Fund, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed;

(9) The Committee shall not be liable for any losses that may be incurred upon investments of the Endowment Fund except to the extent that such losses shall have been caused by bad faith, gross negligence or willful misconduct of Committee members. No member shall be personally liable as

long as the member acts in good faith and with ordinary prudence in discharging the duties of the office. Each Committee member shall be liable only for his or her own willful misconduct or actions taken in bad faith. No Committee member shall be liable for the acts or omissions of any other Committee member, or of any accountant, agent, attorney or custodian duly selected with reasonable care;

(10) Committee members shall not receive any compensation, but may be reimbursed from Endowment Fund income for expenses reasonably incurred that have been approved by the Committee prior to being incurred.

10.10 Congregational Powers for Endowment Fund. Upon recommendations by the Committee, the congregation may decide by two-thirds (2/3) majority vote of those present at a legally called meeting of the congregation when and if any Endowment Fund principal, or corpus, shall be used (other than through investment) for the ordinary course of operations of the congregation. The only purpose of this provision is to provide a procedure for the use of principal or corpus in the event of an otherwise unmitigated catastrophe or dire emergency. The Committee shall supply the congregation with sufficient information to make the best use of the Endowment Fund according to its purposes.