

**BYLAWS  
OF  
FIRST EVANGELICAL LUTHERAN CHURCH OF PALO ALTO  
a California nonprofit religious corporation**

**ARTICLE I.  
SUBORDINATE CORPORATION**

The corporation is a congregation of The Lutheran Church in America. The Approved Constitution for Congregations of the Lutheran Church in America (the "LCA Constitution"), now or hereafter in effect is incorporated by reference in these Bylaws as a basic and essential part hereof. In case of any conflict between the LCA Constitution and any provisions of these Bylaws not contained in said LCA Constitution, the provisions of said LCA Constitution, hereby made part of these Bylaws, shall prevail over such conflicting provisions. The Secretary of the corporation shall keep with the original of these Bylaws, available for inspection or examination by any person entitled to examine the Bylaws, a written copy of said LCA Constitution.

**ARTICLE II.  
OFFICES**

Section 1. **Principal Office.** The corporation's principal office is fixed and located at 600 Homer, Palo Alto, California. The Church Council shall be and act as the board of directors of this corporation.

**ARTICLE III.  
MEMBERSHIP**

Section 1. **Classes.** There shall be FOUR classes of members: (a) baptized, (b) communing, (c) confirmed, and (d) voting. The qualifications, rights and duties of members are those which are prescribed by Article V of the LCA Constitution. Members shall have the right to vote, as set forth in Section 2 of this Article III for the election of directors and on a disposition of substantially all of the assets of the corporation and on a merger and on a dissolution. Additionally, members shall have all the rights, including additional voting rights, afforded members under the California Nonprofit Religious Corporation law.

Nothing in this Section 1 shall be construed as limiting the right of the corporation to refer to persons associated with it as "members" even though such persons are not members as defined above, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the California Nonprofit Corporation Law or the foregoing provisions of this Section 1, unless such person shall have qualified for membership as set forth above. The corporation may confer by amendment of these Bylaws some or all of the rights of a member, as set forth in this Article III, upon any person or persons who do not have the right to vote on any of the matters set forth in the first paragraph of this Section 1,

but no such person shall be a member within the meaning of said Section 5056 or this Section 1.

Section 2. **Voting Rights.** Each voting member, as defined in Section 2d of Article V of the LCA Constitution shall be entitled to cast one vote on each matter submitted to a vote of the members.

Section 3. **Transfer of Membership.** No member may sell a membership or any right arising therefrom. All rights of membership cease upon a member's termination of membership.

Section 4. **Termination of Membership.** Membership in the congregation shall be terminated by death, resignation, transfer or release, excommunication, or removal from the roll as set forth in Section 5 of Article V of the LCA Constitution.

Section 5. **Place of Meetings.** Meetings of members shall be held either at the principal office of the corporation or at any other place within the State of California which may be designated either by the Church Council or by the written consent of all persons entitled to vote thereat, given either before or after the meeting and filed with the Secretary.

Section 6. **Regular Meetings.** A regular meeting of members shall be held semi-annually on the first Sunday in February and the first Sunday in June immediately following the Sunday worship service, or such other date or such other time as may be fixed by the Church Council. In any year in which Church Council members are elected, the election shall be held at the regular meeting in June. Any other proper business may be transacted at the meeting.

Section 7. **Special Meetings.** Special meetings of members may be called by the Church Council, the pastor, the president, or not less than 10 percent of the members. Upon request in writing to the Pastor, the President, the Vice President, or the Secretary by any person entitled to call a special meeting of members, the Church Council shall expeditiously set a reasonable time and place for the meeting and the officer forthwith shall cause notice to be given to the members entitled to vote on the time and place for the meeting. If the notice is not given within 20 days after receipt of the request, the persons entitled to call the meeting may give the notice and may specify the place (which shall be the principal office of the corporation), the date (which shall be at least 10 days after the date the notice is given), the time and the purpose or purposes of the meeting.

Section 8. **Notice of Regular or Special Meetings.** Reasonable notice of each semi-annual regular or special meeting shall be given to members. Such notice shall include (and be sufficient if it includes) at least one public announcement of the time and place thereof at each regular worship service of the congregation on the preceding two consecutive Sundays preceding the date of such meeting, or by mail to all voting members at least 10 days in advance of the date of the meeting. Nothing herein shall prohibit the giving of longer notice or notice by additional means than the oral announcement

abovementioned. The notice of any special meeting of members shall, in addition to stating the place and date and time thereof, state the purpose or purposes thereof. The general nature of any proposal requiring member approval under any of the provisions of the California Corporations Code specified in subdivision (e) of the Section 9411 of that code shall be stated in the notice of any meeting, regular or special, where such a proposal is to be considered.

Section 9. **Quorum.** Ten percent of the voting members represented in person shall constitute a quorum at any meeting of members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the members. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 10. **Adjourned Meetings and Notice Thereof.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting members represented in person, but in the absence of a quorum (except as provided in Section 9 of this Article III) no other business may be transacted at such meeting.

It shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken; provided, however, when any members' meeting is adjourned for more than 45 days or, if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of the meeting as originally called, whether regular or special.

Section 11. **Voting.** Voting members, as defined in Section 2d of Article V of the LCA Constitution, shall be entitled to notice of and to vote at any meeting of members.

Elections need not be by ballot; provided, however, that all elections for Church Council must be by ballot upon demand made by a member at the meeting and before the voting begins.

In any election of Church Council members, the candidates receiving the highest number of votes are elected. A member may not cumulate votes for the election of Church Council members.

Section 12. **Record Date.** The Church Council may fix, in advance, a record date for the determination of the members entitled to notice of any meeting of members, if any notice other than public announcement is given, or entitled to exercise any rights in respect of any lawful action. The record date so fixed shall be not more than 60 days prior to the date of the meeting, nor more than 60 days prior to any other action. When a record date is

so fixed, only voting members of record on that date are entitled to notice, to vote, or to exercise of the rights for which the record date was fixed. A determination of members of record entitled to notice of a meeting of members shall apply to any adjournment of the meeting unless the Church Council fixes a new record date for the adjourned meeting. The Church Council shall fix a new record date if the meeting is adjourned for more than 45 days.

If no record date is fixed by the Board, the record date for determining members entitled to notice of a meeting of members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. If no record date is fixed by the Board, members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting of members or, in the case of an adjourned meeting, members on the day of the adjourned meeting who are otherwise eligible to vote are entitled to vote at the adjourned meeting of members.

Section 13. **Consent of Absentees.** The transactions of any meeting of members, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present in person, and if, either before or after the meeting, each of the persons entitled to vote, not present in person, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the California Nonprofit Religious Corporation Law to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of members need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes thereof, except as provided in Section 9411(e) of the California Nonprofit Religious Corporation Law.

Section 14. **Action Without Meeting.** Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the written ballot of every member is solicited by the corporation by ballots, setting forth the action to be taken, if the number of votes cast by ballot on or before the time the ballots must be returned to be counted equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equal or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Alternatively, any action required or permitted to be taken by the members may be taken without a meeting, if all members individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members.

Section 15. **No Proxies.** Members may vote only in person. Voting rights may not be exercised by proxies.

Section 16. **Inspectors of Election.** In advance of any meeting of members, the Church Council may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election be not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of any such meeting may, and on the request of any member shall, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members, the majority of members represented in person shall determine whether one or three inspectors are to be appointed.

The duties of such inspectors shall be as prescribed by Section 5615(b) of the California Nonprofit Public Corporation Law and shall include: determining the number of voting members, determining the voting members represented at the meeting; determining the existence of a quorum; receiving votes, ballots, or consents, hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all members. If there are three inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all.

Section 17. **Conduct of Meeting.** The President shall preside as chairman at all meetings of the members. The chairman shall conduct each such meeting in a businesslike and fair manner, but shall not be obligated to follow any technical, formal, or parliamentary rules or principles of procedure. The chairman's rulings on procedural matters shall be conclusive and binding on all members, unless at the time of a ruling a request for a vote is made to the members entitled to vote and which are represented in person at the meeting, in which case the decision of a majority of such members shall be conclusive and binding on all members. Without limiting the generality of the foregoing, the chairman shall have all of the powers usually vested in the chairman of a meeting of members.

#### **ARTICLE IV. DIRECTORS**

Section 1. **Powers.** Subject to limitations of the LCA Constitution, of these Bylaws, and of the California Nonprofit Religious Corporation Law relating to action required to be approved by the members or by a majority of members, and to the ecclesiastical rights of the Lutheran Church in America, the temporal activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Church Council. The Church Council may delegate the management of the activities of the corporation to any person or persons, or committees however composed, provided that the temporal activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Church Council. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that

the Church Council shall have the following powers in addition to the other powers enumerated in these Bylaws and in Article IX of the LCA Constitution:

(a) To select and remove all the other officers, agents, and employees of the corporation, prescribe powers and duties for them as may not be inconsistent with law, the LCA Constitution, or these Bylaws, fix their compensation, and require from them security for faithful service.

(b) To conduct, manage, and control the temporal affairs and activities of the corporation and to make such rules and regulations therefor not inconsistent with law, the LCA Constitution, or these Bylaws, as they may deem best.

(c) To adopt, make, and use a corporate seal and to alter the form of such seal from time to time as they may deem best.

(d) To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered herefor, in the corporation name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor.

Section 2. **Number of Directors.** The authorized number of Council members shall consist of the pastor or pastors and 12 elected members, until changed by amendment of the LCA Constitution or by a Bylaw duly adopted by the members amending this Section 2.

Section 3. **Election and Term of Office.** The members of the Church Council shall be elected at a regular meeting of the members, but if any such regular meeting is not held or the members of the Church Council are not elected thereat, the members of the Church Council may be elected at any special meeting of members held for that purpose. In any election of members of the Church Council, the candidates receiving the highest number of votes are elected. Elections need not be by ballot unless a member demands election by ballot at the meeting and before the voting begins. Each Council member shall hold office for three (3) years and until a successor has been elected and qualified. No director shall serve more than two (2) consecutive terms.

Section 4. **Vacancies.** Except as provided in Section 9226 of the California Nonprofit Religious Corporation Law, any Church Council member may resign effective upon giving written notice to the Pastor, the President, the Secretary, or the Church Council, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time, to take office when the resignation becomes effective.

Vacancies in the Church Council, except those existing as a result of a removal of a Church Council member by the members, may be filled by a majority of the remaining Council members, although less than a quorum, or by a sole remaining Council member, and

each Council member so elected shall hold office until the expiration of the term of the replaced Council member and until a successor has been elected and qualified.

A vacancy or vacancies in the Church Council shall be deemed to exist in case of the death, resignation, or removal of any Council member, or if the authorized number of Council members be increased, or if the members fail, at any regular or special meeting of members at which any Council member or members are elected, to elect the full authorized number of directors to be voted for at that meeting.

The Church Council may declare vacant the office of a Council member who has been declared of unsound mind by a final order of court or who has been convicted of a felony or who has failed to attend three (3) consecutive meetings of the Church Council.

The members may elect a Church Council member or members at any time to fill any vacancy or vacancies not filled by the Church Council.

No reduction of the authorized number of Church Council members shall have the effect of removing any Council member prior to the expiration of the Council member's term of office.

Section 5. **Place of Meeting.** Regular or special meetings of the Church Council shall be held at any place within the State of California which has been designated from time to time by the Church Council. In the absence of such designation, regular meetings shall be held at the principal office of the corporation at 600 Homer, Palo Alto, California.

Section 6. **Regular Meetings.** Regular meetings of the Church Council shall be held without call or notice on the second Wednesday in each month at 8:00 o'clock p.m., local time.

Section 7. **Special Meetings.** Special meetings of the Church Council for any purpose or purposes may be called at any time by the Pastor, the President, the Vice President, the Secretary, or by at least half of its members.

Special meetings of the Church Council shall be held upon 10 days' notice by first-class mail or 48 hours' notice given personally or by telephone, telegraph, telex, or other similar means of communication. Any such notice shall be addressed or delivered to each Council member at such person's address as it is shown upon the records of the corporation or as may have been given to the corporation by the Council member for purposes of notice, or if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Church Council are regularly held.

Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is

delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

Section 8. **Quorum.** A majority of the authorized number of Council members constitutes a quorum of the Church Council for the transaction of business, except to adjourn as provided in Section 11 of this Article IV. Every act or decision done or made by a majority of the Council members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Church Council, unless a greater number be required by law or by the LCA Constitution, except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Council members, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 9. **Participation in Meetings by Conference Telephone.** Members of the Church Council may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another.

Section 10. **Waiver of Notice.** Notice of a meeting need not be given to any Council member who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 11. **Adjournment.** A majority of the members present, whether or not a quorum is present, may adjourn any Church Council meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent members if the time and place be fixed at the meeting adjourned.

Section 12. **Action Without Meeting.** Any action required or permitted to be taken by the Church Council may be taken without a meeting if all members of the Church Council shall individually or collectively consent in writing to such action. Such written consent or consents shall have the same effect as a unanimous vote of the Church Council and shall be filed with the minutes of the proceedings of the Church Council.

Section 13. **Rights of Inspection.** Every Council member shall have the right at any reasonable time to inspect all books, records, and documents of every kind and to inspect the physical properties of the corporation for a purpose reasonably related to such person's interests as a Church Council member.

Section 14. **Committees.** The Church Council may appoint one or more committees, each consisting of one or more Council members, and delegate to such committees any of the authority of the Church Council except with respect to:

(a) The approval of any action for which the California Nonprofit Religious Corporation Law also requires approval of the members or approval of a majority of all members;

(b) The filling of vacancies on the Church Council or in any committee;

(c) The amendment or repeal of Bylaws or the adoption of new Bylaws;

(d) The amendment or repeal of any resolution of the Church Council which by its express terms is not so amendable or repealable; or

(e) The appointment of other committees of the Church Council or the members thereof.

The Church Council shall establish five standing committees for Worship, Learning, Witness, Service and Support (which shall consist of the Property, Stewardship, Finance and Mutual Ministry subcommittees) for the purpose of implementing and carrying out the Congregational Function as set forth in Article III of the LCA Constitution.

Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the authorized number of Council members then in office, provided a quorum is present, and any such committee may be designated an Executive Committee or by such other name as the Church Council shall specify. The Church Council may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Church Council shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Church Council or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article IV applicable to meetings and actions of the Church Council. Minutes shall be kept of each meeting of each committee.

Section 15. **Fees and Compensation.** Church Council members and members of committees shall not receive any compensation for their services as Council members or committee members, but may receive such reimbursement for authorized expenses as may be fixed or determined by the Church Council.

## **ARTICLE V. OFFICERS**

Section 1. **Officers.** The officers of the corporation shall be a President, a Secretary, Financial Secretary and a Treasurer. The corporation may also have, at the discretion of the Church Council, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 3 of this Article V. Any number of offices may be held by the same person unless the LCA Constitution or these Bylaws provide otherwise, except that neither the Secretary, the Financial Secretary nor the Treasurer may serve concurrently as the President.

Section 2. **Election.** The officers of the corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this Article V, shall be chosen annually by, and shall serve at the pleasure of, the Church Council, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected.

Section 3. **Subordinate Officers.** The Church Council may elect such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Church Council may from time to time determine.

Section 4. **Removal and Resignation.** Any officer may be removed, either with or without cause, by the Church Council at any time.

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 6. **Pastor.** The pastor of the congregation shall have such rights, privileges and duties as are set forth in Article VI of the LCA Constitution.

Section 7. **President.** The President is the general manager and chief executive officer of the corporation and has, subject to the control of the Church Council, general supervision, direction, and control of the business and officers of the corporation. The President shall preside at all meetings of the members and at all meetings of the Church Council. The President has the general powers and duties of management usually vested in

the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Church Council.

Section 8. **Vice Presidents.** In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Church Council or, if not ranked, the Vice President designated by the Church Council, shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Church.

Section 9. **Secretary.** The Secretary shall keep or cause to be kept, at the principal office and such other place as the Church Council may order, a book of minutes of all meetings of members, the Church Council and its committees, with the time and place of holding, whether general or special, and if special, how authorized, the notice thereof given, the names of those present at Church Council and committee meetings, the number of members present or represented at members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the corporation's Articles of Incorporation, the LCA Constitution and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Church Council and any committees thereof required by these Bylaws or by law to be given, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Church Council.

Section 10. **Treasurer and Financial Secretary.** The Treasurer is the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all times be open to inspection by any Church Council member.

The Financial Secretary shall be responsible for the receipt of all moneys received by the corporation and shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the board. The Treasurer shall disburse the funds of the corporation as may be ordered by the Church Council, shall render to the President and the Council members, whenever they request it, 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 may be prescribed by the Church Council.

## **ARTICLE VI. OTHER PROVISIONS**

Section 1. **Inspection of Membership Records.** Records of the members' names, addresses, and voting rights may be inspected only by a Church Council member or an

officer of the corporation for a purpose reasonably related to such person's interests as a Council member or officer.

Section 2. **Inspection of Corporate Records.** Subject to the provisions of Section 9230 of the California Nonprofit Religious Corporation Law, the accounting books and minutes of proceedings of the members and the Church Council and committees of the Church Council shall be open to inspection only by a Church Council member or officer of the corporation at any reasonable time for a purpose reasonably related to such person's interests as a Church Council member or officer.

Section 3. **Inspection of Articles and Bylaws.** The corporation shall keep in its principal office in the State of California the original or a copy of its Articles of Incorporation, the LCA Constitution and of these Bylaws as amended to date, which shall be open to inspection by members at all reasonable times during office hours.

Section 4. **Endorsement of Documents; Contracts.** Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Pastor, President or the Vice President and the Secretary, or the Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Church Council, and, unless so authorized by the Church Council, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 5. **Representation of Shares of Other Corporations.** The President or any other officer or officers authorized by the Church Council are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 6. **Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Religious Corporation Law shall govern the construction of these Bylaws.

Section 7. **Amendments.** These Bylaws may be amended or repealed either by approval of the voting members or by the approval of the Church Council; provided, however, that a Bylaw specifying or changing the authorized number of Church Council members may only be adopted by approval of the members.

## **ARTICLE VII. INDEMNIFICATION**

Section 1. **Definitions.** For the purposes of this article, "agent" means any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(c) of this Article VII.

Section 2. **Indemnification in Actions by Third Parties.** The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 9243 of the California Nonprofit Religious Corporation Law, or an action brought by the Attorney General pursuant to Section 9230 of the California Nonprofit Religious Corporation Law) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such persons believed criminal proceeding, had no reasonable cause to believe the conduct of such person is unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. **Indemnification in Actions by or in the Right of the Corporation.** The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation, or brought under Section 9243 of the California Nonprofit Religious Corporation law, or brought by the Attorney General pursuant to Section 9230 of the California Nonprofit Religious Corporation Law, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the

corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amount paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

Section 4. **Indemnification Against Expenses.** To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VII or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. **Required Determination.** Except as provided in Section 4 of this Article VII, any indemnification under this Article VII shall be made by the corporation only authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3 of this Article VII, by:

(a) A majority vote of a quorum consisting of Council members who are not parties to such proceeding;

(b) Approval of the members with the persons to be indemnified not being entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

Section 6. **Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

Section 7. **Other Indemnification.** No provision made by a corporation to indemnify its Council members or officers for the defense of any proceeding, whether contained in the LCA Constitution, Articles of Incorporation, Bylaws, a resolution of members

or Church Council members, an agreement, or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than such Council members and officers may be entitled by contract or otherwise.

Section 8. **Forms of Indemnification Not Permitted.** No indemnification or advance shall be made under this Article VII, except as provided in Section 4 or 5(c), in any circumstance where it appears that:

(a) It would be inconsistent with a provision of the LCA Constitution, Articles of Incorporation, Bylaws, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) It would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. **Insurance.** The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article VII; provided, however, that a corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 9243 of the California Nonprofit Religious Corporation Law.

Section 10. **Nonapplicability to Fiduciaries of Employee Benefit Plans.** This Article VII does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent as defined in section 1 of this Article VII of the employer corporation. A corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

**CERTIFICATE OF SECRETARY  
OF  
FIRST EVANGELICAL LUTHERAN CHURCH OF PALO ALTO  
A California nonprofit corporation**

I hereby certify that I am the duly elected and acting Secretary of said corporation and that the foregoing Bylaws, comprising 18 pages, constitute the Bylaws of said corporation as duly adopted at a meeting of the Church Council thereof held on January 15, 1986, and by the members of the Congregation in February, 1986.

\_\_\_\_\_  
Secretary