

THE EVANGELICAL LUTHERAN CHURCH OF THE GOOD SHEPHERD
1530 FOULK ROAD
WILMINGTON, DELAWARE 19803
JANUARY 24, 2010

BY-LAWS

WHEREAS, the Evangelical Lutheran Church of the Good Shepherd was incorporated in the State of Delaware in 1957 as the "Evangelical Lutheran Church of the Good Shepherd of Brandywine Hundred, New Castle County, Delaware" (hereafter, "Good Shepherd") and;

WHEREAS, the members ("congregation") of Good Shepherd adopted bylaws on January 19, 1964 and thereafter amended such bylaws on various occasions; and;

WHEREAS, at its meeting of January 28, 2007, the congregation voted to adopt a Constitution (the "Constitution") conforming to the Model Constitution for Congregations promulgated by the Evangelical Lutheran Church of America (the "Model Constitution") with the intent that such Constitution would replace the bylaws as the principal governing document of the congregation; and

WHEREAS, it is necessary to provide through new bylaws for certain matters referenced or not addressed in the Constitution;

NOW THEREFORE, the congregation hereby adopts the following bylaws:

CHAPTER 1. CONGREGATIONAL MEETING

B1.01. The annual Congregational Meeting shall be held in the month of January on a date to be determined by the Congregation Council.

CHAPTER 2 OFFICERS

B2.01. The President, the Vice President, the Secretary and the Treasurer of the congregation shall be the President, Vice President, Secretary and Treasurer respectively of the Corporation. The President and the Vice President shall serve as Chairman and Vice-Chairman respectively of the Congregation Council.

B2.02. In the event of the President's inability to perform his/her duties, the Vice-President shall serve in his/her stead.

B2.03. The Secretary shall keep accurate minutes of all meetings of the congregation and Congregation Council in a volume provided by the congregation, which shall be preserved permanently in the archives of the congregation. The Secretary shall keep all records of the congregation except those provided for in B2.04 and B2.05 hereof.

- B2.04. The Treasurer shall keep the books of account of the congregation, and of the Corporation. The Treasurer shall receive from the financial secretary all funds and disburse them on proper orders, making monthly remittance of benevolence receipts to the treasurer of the synod. The Treasurer shall receive and account for all the money of the Corporation and shall have such other duties as are provided in these by-laws. The Treasurer shall serve the Congregation Council and the congregation.
- B2.05. The Treasurer and the financial secretary shall make written report of all their transactions to the Congregation Council monthly and to the congregation, together with a satisfactory audit, at its annual meetings. All financial officers shall give corporate surety, in amounts determined by the Congregation Council, for which the premiums shall be paid by the congregation.

CHAPTER 3 CONGREGATION COUNCIL

- B3.01. Any voting member under twenty-one may be elected to the Congregation Council as a Youth Member. The term of office for Youth Members shall be for one year with the option to be renominated for a second year. Vacancies shall be filled in the manner described in B3.02.
- B3.02. The Executive Committee will act as the nominating committee for any vacancy that is declared in the member of the Congregation Council. Vacancies occurring within three months of the next regularly scheduled congregational meeting need not be filled until that time. A person appointed or elected to fill an unexpired term may be elected for another full term.
- B3.03. The Congregation Council shall include up to two voting members under twenty-one years of age (Youth Members). The Youth Members shall participate in the deliberations and decisions of the Congregation Council to the extent permitted by law or by the members of the Congregation Council over the age of 21 from time to time, provided however that the Congregation Council members shall have sole responsibility for all actions of the Congregation Council whether or not the Youth Members shall have participated in such action.
- B3.04. The Chairman shall have custody of the seal and all books and papers of the Corporation, shall make fair entries therein of all the proceedings of the Congregation Council, and every member of the congregation shall have access thereto.
- B3.05. The Congregation Council shall be responsible for ensuring that a record is kept of all income from contributing members and other sources and that each contributing member shall receive a report at least annually of his/her contributions.
- B3.06. [Removed]
- B3.07. The Congregation Council shall hold regular monthly meetings on a day to be determined by the Congregation Council. The congregation shall be advised of the schedule, and

any changes to regular meeting days two weeks in advance of the meeting. Whenever possible, notice of any special meeting shall be given at least three days in advance to all who are entitled to be present.

B3.08. The following shall constitute the Order of Business at regular meetings of the Congregation Council:

- a. Devotions
- b. A period for the study of the life and work of the church
- c. Roll call and action on excuses for absence
- d. Reading of minutes
- e. Prearranged reports or presentations of invited speakers
- f. Reception of petitions and communications
- g. Report of the pastor(s)
- h. Report of the Treasurer(s)
- i. Reports of the standing committees
- j. Reports of the special committees
- k. Other reports
- l. Unfinished business
- m. New business
- n. Adjournment with devotions

B3.09. The financial secretary, if not a member of the Congregation Council, shall be accorded the privilege of voice without vote in its meetings. The financial secretary shall be supervised by the Congregation Council.

CHAPTER 4 CONGREGATIONAL COMMITTEES

B4.01. The chair of each committee shall be recommended by the Council President in consultation with the pastor(s) and Council Vice President and appointed by the Congregation Council for a term of one year beginning February 1. Whenever possible, no committee chair shall serve as chair for more than three consecutive years. Members of the committees shall serve for a period of one year beginning February 1. Members

may serve for any number of one-year terms. Committee chairs will be responsible for encouraging a reasonable degree of turnover in the membership of each committee, balancing the need for continuity with the need for broader participation. Each committee shall have at least one Congregation Council representative on the committee, with the Congregation Council representative's term to be for one year beginning February 1. Whenever possible, the Congregation Council representative shall not serve as the chair of the committee. Although designated by council, these committees shall be recognized as representative of the interests of the congregation as a whole.

B4.02. All actions of the committees shall be subject to review of the Congregation Council. All committees may make a written report to the Congregation Council monthly and shall make a written report to the Congregation Council annually in January.

B4.03. The standing committees of the congregation shall be:

- a. Worship and Music
- b. Christian Education
- c. Evangelism
- d. Youth Ministry
- e. Social Ministry
- f. Christian Fellowship
- g. Stewardship
- h. Finance
- i. Property
- j. Planning
- k. Mutual Ministry
- l. Mission Endowment
- m. Health Ministry
- n. Audit

CHAPTER 5 INDEMNIFICATION

B5.1. Each person who, by reason of the fact that such person is or was a Congregation Council member, officer, employee, agent, or other member of any committee of this congregation, was, is, or is threatened to be, made a party to any threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding shall be indemnified by the Corporation to the maximum extent permitted by the Corporation law of the State of Delaware.

CHAPTER 6 TERMINATION OF MEMBERSHIP

B6.01. Without prejudice to the provisions of the Constitution and in particular Chapter 15 thereof, inasmuch as the Church fulfills its divine mission and purpose through the lives of its members, the Congregation or its representatives shall not suspend or terminate membership of any of its members by arbitrary or ill considered action. All normal avenues of pastoral counsel, Christian tolerance and prayer will be used to preserve unity in the fellowship of the faith.

B6.02 Following the annual review of the membership roll, the Congregation Council shall contact those members who have not communed in this congregation and/or made a contribution of record to this congregation in the current or preceding calendar year to make them aware of their status. A letter mailed to the last known address shall be the normal method of contact. If such persons do not respond within six weeks, or do not commune and contribute within that period, they shall be removed from the roster of the congregation due to inactivity. Those who do respond shall be retained on the roll of voting members, moved to the roll of associate members or removed from the rolls due to inactivity, at the discretion of the Congregation Council.

Every effort shall be made to enable such persons to remain on the roster of the congregation and to return them to full participation in the life of the church. Such persons who have been removed from the roll of members shall remain persons for whom the Church has a continuing pastoral concern.

CHAPTER 7. MISSION ENDOWMENT FUND

B7.1. Fund Purpose:

- a. A new and separate Good Shepherd Mission Endowment Fund (hereinafter called the "FUND") shall be established for Good Shepherd.
- b. The purpose of the FUND is to enhance the mission outreach of Good Shepherd strictly apart from the general operation of the Congregation. In accordance with the principles of Christian stewardship, the FUND is established to receive designated resources for use in carrying out God's work at Good Shepherd.

- c. The Mission Endowment Fund Committee (hereinafter called the “COMMITTEE”) shall be the custodian of the FUND, in accordance with the following plan of operation.
- d. Gifts designated for the endowment fund, including but not limited to lifetime transfer of cash or, with the approval of the COMMITTEE, other real and/or personal property shall be placed in the FUND. Gifts may be in the form of: bequests, gifts and transfers through wills, assignment of life insurance, charitable gift annuities, charitable remainder and other trusts, assignment of certificates of deposit, gifts designated as endowment according to the intent of the donor, and bequests to a third party for transmission to the FUND in the name of the benefactor.

B7.2. Committee Membership:

- a. The COMMITTEE shall consist of five members, all of whom shall be voting members of Good Shepherd. Except as herein limited, the term of each members shall be three (3) years. Upon adoption of this resolution by the Congregation, it shall elect five (5) members to the COMMITTEE: two (2) for a term of three (3) years; two (2) for a term of two (2) years; and one (1) for a term of one (1) year. Thereafter, at each annual meeting, the Congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two (2) consecutive three-year terms. After a lapse of one year, former COMMITTEE members may be re-elected. The senior pastor, president/vice president, treasurer of the Congregation, chairperson of the Social Ministry Committee and the chairperson of the Stewardship Committee shall be non-voting advisory members of the COMMITTEE. No more than two (2) Church Council members may be voting members of the COMMITTEE at any one time. The Nominating Committee shall nominate members for the COMMITTEE and report at the annual Congregational meeting in the same manner as for other officers and committees. In the event of a vacancy on the COMMITTEE, the Church Council shall appoint a member to fill the vacancy until the next annual meeting of the Congregation, at which time the Congregation shall elect a member to fulfill the term of the vacancy.
- b. The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the FUND.
- c. A quorum of the COMMITTEE shall consist of three (3) members. The COMMITTEE shall act by majority vote. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution. No binding votes shall be taken at any meeting where all members of the COMMITTEE and the advisory members have not been previously notified of the meeting.
- d. The COMMITTEE shall elect from its membership a chairperson, recording secretary, and financial secretary. The chairperson, or member designated by the chairperson, shall preside at all meetings.

- e. The recording secretary of the COMMITTEE shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each of the COMMITTEE members. Each member shall keep a complete copy of the minutes to be delivered to his or her successor. The recording secretary shall also supply a copy to the Church Council.
- f. The financial secretary of the COMMITTEE shall work with the Congregation's Treasurer in maintaining and coordinating complete and accurate accounts for the FUND and sign necessary documents on behalf of the Congregation in furtherance of the purposes of the FUND. The books shall be reviewed annually by the audit committee of the Congregation.
- g. The COMMITTEE shall report on a quarterly basis to the Church Council and, at each annual meeting of the Congregation, shall render a full and complete account of the administration of the FUND during the preceding year. The FUND Chairperson shall file a yearly report for inclusion in the annual report to the Congregation.
- h. The COMMITTEE may request other members of the Congregation to serve as advisory members and, at the expense of the FUND income subject to Bylaw limitations on commitment of non-budgeted funds, may provide for such professional counseling on investments or legal matters as it deems to be in the interest of the FUND.
- i. Members of the COMMITTEE and/or Church Council shall not be liable for any losses that may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member. No member shall engage in any self dealing or transactions with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the FUND.
- j. Title to all assets of the FUND that are not required to be held in the name of Good Shepherd may be held in the name of the Good Shepherd Mission Endowment Fund.
- k. Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stock, bond, debentures, mortgages, notes, or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the COMMITTEE for approval by the Church Council, with subsequent execution by the delegated member of the COMMITTEE. The FUND assets shall be invested by the COMMITTEE with Church Council approval in prudent investments with the primary objective of preserving principle and the secondary objective of realizing return on the investment.

B7.3. Disbursements:

- a. The COMMITTEE shall determine what is principal and income according to accepted accounting practices.
- b. Gifts and bequests to the FUND shall accumulate until the principal amount of \$100,000 is achieved after which disbursements be expended. If the value of the FUND's investments shall fall below \$100,000 any disbursements will be suspended and added to principal until the FUND's principal amount is again \$100,000. The COMMITTEE must provide an annual recommendation to the Church Council regarding distribution, if any, of the FUND's income. Upon acceptance by the Church Council, the distribution plan will be voted upon by the congregation at the annual or special meeting called, for final approval.
- c. Disbursements in the FUND shall be distributed annually and at such other times as deemed necessary and/or feasible according to the guidelines and purposes which follow:
 1. Minimum twenty (20) not to exceed fifty (50) percent for new ministry opportunities within Good Shepherd including but not limited to: scholarships, start up costs of new program ministries and/or staffing, new materials or equipment, or other opportunities within the congregation which will encourage Christian growth in faith, fellowship, service or outreach and/or for capital improvements, debt reduction, or building expansion.
 2. Minimum twenty (20) not to exceed fifty (50) percent for outreach into the communities of Mid-Atlantic states through the serving arms of the church, included but not limited to, Lutheran Community Services, Luther Towers, Lutheran Campus Ministries, Hilltop Lutheran Neighborhood Center and Lutheran Theological Seminary at Gettysburg.
 3. Minimum twenty (20) not to exceed fifty (50) percent for missions of the Evangelical Lutheran Church in America on this continent and worldwide including, but not limited to, programs of the ELCA for new congregational development in North America, professional leadership, educational ministries, media evangelism, and capital financing.
- d. Programs for support may be recommended to the COMMITTEE by the Church Council, the nonvoting advisors to the COMMITTEE, or by any other individual of the Congregation.
- e. Distributions from the FUND need not occur annually in the event causes or programs have not been approved by the COMMITTEE sufficient to utilize the full amount available, or in the judgment of the COMMITTEE total annual disbursement is not recommended.

B7.4. Conservation of Principal:

- a. The COMMITTEE shall follow generally accepted endowment management principles disbursing annually no more than five (5) percent of the total value of the endowment based upon a twelve-quarter trailing average.
- b. When in the opinion of the COMMITTEE, circumstances are of such an unusual or emergency nature that the future of the Congregation is at stake, and that the only recourse seems to be the use of the FUND principal, the COMMITTEE may recommend to the Church Council expenditure of the principal. Only after an affirmative vote of seventy-five (75) percent of the entire voting membership at an annual Congregational, or special meeting called for this purpose, may FUND principal be expended. Any decision of the Congregation must be in accord with the laws of Delaware.

B7.5. Amendments of this Chapter 7:

- a. Any amendment to this Chapter 7 which will change, alter, or amend the purpose for which the FUND is established shall be adopted by a two thirds vote of the members present at an annual meeting of the Congregation or at a special meeting called specifically for the purpose of amending the Bylaw. A Bylaw change to the above requirement of a seventy-five (75%) percent affirmative vote to expend principal shall also require a seventy-five (75%) percent affirmation of the voting members present.

B7.6 Disposition or Transfer of Funds:

- a. In the event that the Evangelical Lutheran Church of the Good Shepherd ceases to exist either through merger or dissolution, the COMMITTEE shall distribute or transfer the assets of the FUND in conformity with the Bylaws of the Church, and in consultation with the bishop of the synod or its successor body in which this Congregation holds membership, and in accord with the laws of Delaware.