

BYLAWS OF COMMUNITY LUTHERAN CHURCH OF ESCONDIDO, CALIFORNIA

Section I STATEMENT OF PURPOSE, FAITH, and MEMBERSHIP

WHEREAS, the word of God demands that a Christian Congregation not only conform to the Word of God in doctrine and practice (Galatians 1:6-8; 2 Timothy 4:1-5), but also that all things be done decently and in order (1 Corinthians 14:40).

NOW, THEREFORE, we, the members of Community Lutheran Church of Escondido, California (the "Church"), a member of the Lutheran Church-Missouri Synod, set forth this present document, signed by ourselves, being the Bylaws in accordance with which our congregational affairs, spiritual and material, shall be conducted.

The purpose of this Church shall be that of a Christian Congregation, established and maintained for the express purpose of disseminating the Gospel Truth according to the confessional statements of the Lutheran Church, the Book of Concord of the year 1580.

Confessional Statement.

This Congregation acknowledges and accepts all the canonical books of the Old and New Testaments as the revealed Word of God, verbally inspired. It also acknowledges and accepts all the symbolical books of the Evangelical Lutheran Church contained in the Book of Concord, 1580, to be true and genuine exposition of the doctrines of the Bible. These symbolic books are The Apostolic Creed, the Nicene Creed and the Athanasian Creed, the Unaltered Augsburg Confession and the Apology of the same, the Smalcald Articles, Luther's Small Catechism, Luther's Large Catechism, and the Formula of Concord.

Membership.

The Members of Community Lutheran Church of Escondido, California (the "Congregation") include the following:

(i) BAPTIZED MEMBERS are those who have been baptized in the name of the Triune God, and who are under the spiritual care of the Pastor(s) of the Congregation including the children who have not yet been confirmed;

(ii) CONFIRMED MEMBERS are those Baptized Members who have been confirmed in the Lutheran Faith, accept the confessional statements

contained herein and are not members of an organization which is in conflict with the word of God; and

(iii) VOTING MEMBERS are Confirmed Members who have reached the age of 18 years, agree to abide by these Bylaws, attended Church or received Communion, and have participated financially or by service to the Church, all within the preceding year.

Members are received through the Sacrament of Holy Baptism, through the consent of one or both parents in the case of children who have been baptized in another Christian congregation, through the rite of confirmation, through transfer from a sister congregation, or through reaffirmation of faith.

Members of the Congregation shall strive to conform their lives to the rule of God's Word, and to that end make diligent use of the means of grace, exercise faithful stewardship of God's many gifts and talents, impart and accept fraternal admonition as the need for such admonition becomes apparent, and be available readily for service in the kingdom of Christ within and beyond the Congregation.

Membership shall be terminated by transfer to a sister congregation, by death, by joining a congregation outside the fellowship of this Congregation, by excommunication or by self-exclusion.

Members who conduct themselves in an un-Christian manner shall be admonished according to Matthew 18:15-20; if they remain impenitent after proper admonition, they shall be excommunicated (an "Impenitent Member"). Each case for excommunication shall be presented individually to a closed session of the Governing Board on a confidential basis for a decision, including input from the Senior Pastor and the Impenitent Member to the extent that such Impenitent Member desires to provide input. Upon conclusion of the closed session of the Governing Board, a recommendation shall be issued and communicated to the Impenitent Member. The Impenitent Member shall be provided with the option to voluntarily terminate membership in the Congregation. Any Impenitent Member who is the subject of the excommunication contemplated by this paragraph shall be advised that the refusal to voluntarily terminate membership in the Congregation will result in a public disclosure of the basis for the excommunication to the Congregation. Should the Impenitent Member refuse to voluntarily terminate membership in the Congregation, a case of excommunication shall be presented to the Voters Assembly for a decision. A two-thirds majority vote of the Voters Assembly shall be required for such decision to occur.

If the circumstances that have led to excommunication have been removed and the Impenitent Member who was excommunicated desires reinstatement, the Board of Elders may recommend reinstatement to the Voters

Assembly for its joyous action. A two-thirds majority vote of the Voters Assembly shall be required for such decision to occur.

Section II - Procedures for Calling or Dismissing Pastors and Commissioned Ministers.

When a pastor or commissioned minister is to be Called, every Confirmed Member of the Church shall have the privilege of making one or more nominations or comments. The Congregation shall also ask the President of the Synodical District for non-binding recommendations. A Call Committee will be formed, in accordance with these Bylaws, for the purpose of screening candidates. The Call Committee shall make recommendations related to any Call to be made by the Church, whether part time or full time, and the length (if any is specified) of such Call.

A Voters Assembly meeting shall be noticed for the calling of a Pastor or commissioned minister in accordance with these Bylaws and all voting shall be conducted by Written Ballot.

The Voters Assembly shall call a Pastor or commissioned minister when two-thirds (2/3) of the Voting Members present at the Voters Assembly called for such a purpose cast votes in favor of the recommended candidate. The Call Committee may offer a slate of more than one candidates at their discretion. In the event that no candidate receives the required vote, the Voters Assembly may, upon approved motion: (i) eliminate the candidate receiving the fewest votes from the slate of candidates and vote again, or (ii) vote to request additional candidates from the Call Committee.

After consultation with the District President, the Voters Assembly may dismiss a Pastor or commissioned minister when two-thirds (2/3) of the Voting Members present at the Voters Assembly called for such a purpose cast votes in favor of dismissal.

Section III - Admission of New Members.

Persons intending to join this Congregation as Confirmed Members shall give notice of such intention to the Pastor, together with satisfactory evidence of their qualification for membership under the provisions provided herein.

Section IV – Voters Assembly.

The annual Voters Assembly of this Congregation should be held in November. Each Voters Assembly shall be noticed to all Members by providing not less than fourteen (14) days in advance of the Voters Assembly, the following: (i) a written agenda; (ii) a budget (if monetary decisions are involved); (iii) a financial analysis (to the extent that financial decisions are

involved); and (iv) copies of all documents, amendments, and/or resolutions to be considered at the Voters Assembly. Notice to the members shall be made in any of the following manners: (w) by United States Mail (one (1) mailing per household); (x) e-mail to those Members who the Church sends documents of any type by e-mail or who have requested information by e-mail; (y) posting all such information on the Church website for public access; and (z) making the information available at all Sunday services for at least two (2) weeks prior to the Voters Assembly (the "Standard Notice"). Notwithstanding the preceding sentences, any action to consider dismissal under Section II of the Bylaws above shall be noticed in accordance with the Standard Notice and in a manner approved by legal counsel to the Church that has been retained, in writing, to provide such advice and consultation.

A Special Voters Assembly may be noticed by the Senior Pastor, the President, the Governing Board or upon petition of ten percent (10%) of the Voting Members of the Church, or fifty (50) Voting Members, whichever is less.

Section V – Governing Board, Officers, Committees and Elections.

1. Elected Officers and Boards – In General.

Only Voting Members shall be eligible to hold elected offices in the Church. The term of office for all positions shall be two (2) years, except when the Governing Board is initially formed, 3 of the 7 candidates shall be elected for only 1 year to allow for elections each year. If for any reason, an elected board member is unable to complete his or her term of service, the Governing Board shall appoint a person to serve for the unexpired term, following non-binding consultation with the Senior Pastor, unless otherwise provided for herein. All who hold offices for the benefit of this Congregation do so for the glory of God and the furtherance of His work through the Church. Accordingly, all those blessed with the chance to serve God and this Congregation are strongly encouraged to promptly identify those who will succeed them in their office, to assist and train those successors and instruct them in the operations of the Congregation and to assist them in the development of their faith in Christ.

To that end, it is expected that Voting Members who are considering any position (including as a member of a Board or Committee) shall: (i) support the Governing Board as the delegated representatives of the Voters Assembly in interacting with Pastor(s); (ii) support the Governing Board as the delegated representatives of the Voters Assembly in interacting with all Boards and Committees in the furtherance of the ministry of the Church; (iii) carefully and prayerfully consider if they are able to devote sufficient time and talents to the position in order to faithfully perform their obligations for the position accepted; (iv) actively participate in meetings and encourage meeting times that will maximize attendance and participation of Voting Members; (v) assist in the establishment of goals which are tangible and measurable for each area in which

they are participating; (vi) actively participate in the worship life of the Church; and (vii) assist in establishing full and open reporting of activities to the Voting Members of the Church.

Upon completion of annual elections, the Governing Board should hold an orientation session with all incoming and outgoing Governing Board members. The purpose of the orientation session is: (i) to review the Bylaws and written policies of the Church to insure that the Governing Board members are familiar with the governing and operational documents of the Church; (ii) to review the Church budget to insure that Governing Board members are familiar with the budget available and to understand the income and expense statement; (iii) select Officers for the coming term, and (iv) to insure that all outgoing Governing Board members assist in the transfer of their knowledge of their former position to their successor to insure continuity in the operations of the Church.

The Governing Board is also encouraged to have a regular retreat to facilitate communication and an extended discussion on issues relating to the operation and religious aspects of the Church.

The Congregation expects members who accept positions of leadership to be representatives of the Congregation who are willing to accept the obligations that come with such a position, both within the Church and within the community where the Church is located. Accordingly, the Congregation desires that members who accept these positions of leadership govern themselves accordingly and endeavor to abide by the confessional statement of this Congregation provided herein. The Congregation recognizes that the desire to fulfill the leadership position may not be met with sufficient resources in terms of time and/or talent by the leader and desires to provide a mechanism to address such an issue in a Christian manner with those who may be in leadership. Accordingly, in the event there is an issue with a member who has accepted a position of leadership within the Congregation, a three (3) person committee appointed by the Governing Board, in consultation with the Senior Pastor, shall meet with the person in a Christian manner and provide counseling to assist the person in fulfilling the duties of their accepted position of leadership. In the event the counseling is unsuccessful, the person shall be requested to resign from the position to allow another to accept the position of leadership. If the person declines to resign, the matter may be brought by the committee to the Governing Board for discussion and, if appropriate, dismissal of the person at issue and appointment of a replacement.

The Governing Board shall be provided with such staff support as the Governing Board may reasonably determine is necessary to fulfill the obligations of their offices.

2. Governing Board.

The role of the Governing Board is that of seven (7) elected representatives of the Congregation through the Voters Assembly who are entrusted with the implementation and execution of the decisions of the Church. In the event that a Governing Board seat is vacated prior to the expiration of a Board Member term, the Governing Board shall select a qualified individual to fill the remaining term. The Governing Board shall elect a President, a Vice-President, Secretary, and Treasurer. A quorum will be established by a majority of the Governing Board.

The Governing Board will meet bi-monthly or as otherwise deemed necessary, to receive and hear reports, and in general, to take such action as shall seem advisable for the continuation of the ministry of the Church. Members may submit a written request to the President to discuss Church business with the Governing Board at any regularly scheduled meeting. The decisions of the Governing Board may only be reviewed or modified by the Voters Assembly.

In consultation with the Senior Pastor, the Governing Board, as the representative body of the Congregation, shall advise, supervise and support the committees, Ministry Action Teams, and any other positions needed to carry on the work of the Congregation.

3. Officers.

This Congregation shall have the following Officers, elected by the Governing Board.

a. President. The President shall be the executive officer of the Congregation responsible for implementing the provisions of these Bylaws and the resolutions of the Governing Board and/or Voters Assembly.

b. Vice-President. The Vice-President shall perform the duties of the President during the President's absence or disability, or at the President's request. In the event of a vacancy in the office of the President, the Vice-President shall succeed to the office of the President for the remainder of the term.

c. Secretary. A Secretary shall record and preserve the minutes of the meetings of the Voters Assembly and the Governing Board in electronic format and in hard copy.

d. Treasurer. The Treasurer shall keep and maintain the financial records of the Church in accordance with generally accepted accounting principles utilizing software that is generally available to the public on a commercial basis (i.e., Quick Books or similar).

4. Committees.

The Congregation shall have the following Committees, appointed by the Governing Board:

a. Nominating Committee. A nominating committee shall consist of the Vice-President as chairman, and four (4) Voting Members approved by the Governing Board. The Senior Pastor (or, in the absence of a Senior Pastor, a Pastor serving pursuant to Call, or, in the absence of both, the interim Pastor) shall provide advice and support to the Nominating Committee in considering prospective Voting Members of the Congregation for any potential role within the Congregation. The Nominating Committee shall: (a) advise the Congregation in advance that submission of nominations from the Congregation will close four (4) weeks prior to the initially scheduled date of the annual Voters Assembly; and (b) publish a slate of candidates fourteen (14) days in advance of the annual Voters Assembly. Provided that nominations from the Congregation are received in a timely manner, any Voting Member may submit to the committee additional names for inclusion on the slate, and such names shall be placed in nomination by the Nominating Committee along with the candidates already chosen. There shall be no nominations from the floor during a Voters Assembly. The slate proposed by the Nominating Committee normally consists of one name for each office.

b. Call and Dismissal Committees. When needed, and for the purpose of calling or dismissing Ordained or Commissioned ministers, a Committee shall be selected by the Governing Board. It shall be presided over by the Vice-President and shall consist of seven (7) members, including one (1) member of the Board of Elders. The Senior Pastor (or, in the absence of a Senior Pastor, a Pastor serving pursuant to Call, or, in the absence of both, the interim Pastor) shall provide advice and support the Committee in considering prospective candidates. The Committee shall follow the procedures set forth in these Bylaws.

The Committee shall make recommendations related to any Called positions to be made by the Church, whether part time or full time, and the length (if any is specified) and terms of such Call.

(i) In the screening process for a called position, the Call Committee shall submit all names to the District President for information and evaluation. After receiving information and recommendations from the District President, the Call Committee shall present to the Congregation in writing, a slate of one or more qualified candidates along with a biographical sketch of each candidate recommended for consideration.

(ii) In the dismissal process, the Dismissal Committee shall, as set forth herein discuss the advantages and disadvantages related to the action proposed, bearing in mind the biblical and legal implications of any decision to be made, as well as the impact thereof on the Church.

c. Endowment Committee. The Chairman of the Endowment Committee shall be selected and ratified by the Governing Board. It shall be presided over by a Chairman and shall consist of at least two (2) additional Voting Members who are experienced in business operations and legal documents. The Endowment Committee shall operate under the then current version of the Community Lutheran Church Endowment Investment Policy and shall operate in accordance with guidelines established by the Governing Board.

d. Ad Hoc Committees. Ad-Hoc Committee(s) may be formed by the Governing Board, subject to the following specific limitations: (a) the Ad-Hoc Committee will be a “Specific Purpose” committee that shall only be established with an outside termination date set by time or by the occurrence of a specific event; (b) the Ad-Hoc Committee shall report back to the Governing Board; (c) the Ad-Hoc Committee is limited by the powers granted to them; and (d) the Ad-Hoc Committees shall be bound by the same rules and spirit of order contained in these Bylaws.

Section VI – Board of Elders.

The Board of Elders shall consist of the Senior Pastor as the chair and each Elder shall be selected by the Senior Pastor and confirmed to their appointment by the Governing Board. The Board of Elders shall assist the Pastor(s) in watching over the doctrine, life, and administration of the offices of Called personnel, and ensure that they are treated with due respect and that the Congregation fulfills its duty toward them with respect to their physical needs in accord with the word of God and their respective Calls. The Board of Elders shall assist the Pastor(s) by providing for services in his/their absence, and assist in maintaining order and discipline in difficult ministerial cases. The Board of Elders shall seek to lead members in the deepening of their spiritual life and regular participation in worship.

Section VII – Ministry Action Teams.

A Ministry Action Team (MAT) is a team organized for the purpose of carrying out ministry activities in the congregation. MATs are meant to be active and dynamic. They change regularly to meet the changing ministry needs of the Congregation and community. The staff will be responsible for creating and organizing MATs, or supervising MATs created by the Congregation, to help the Congregation meet annual ministry goals. Each staff member will organize and equip MATs in their area of responsibility, as defined by the Senior Pastor. The staff will be accountable to the Governing Board for the work they do. The Senior Pastor will serve as the representative of the Governing Board for the staff. Some MATs will be ongoing and others will be of limited duration and focus on a specific need of the Congregation or community.

Section VIII - Quorum.

The Voting Members present at a properly noticed meeting of the Voters Assembly as provided in the Bylaws shall establish a quorum.

Section IX - Rules of Order.

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern in all cases to which they are applicable and in which they are not inconsistent with the Bylaws of the Church and any special rules of order the Voters Assembly may adopt.

Section X – Role of Senior Pastor.

In addition to the spiritual roles of a called and ordained pastor ministering to the Church, the Senior Pastor shall be the day to day Manager of the Church and shall be the supervisor of all paid staff, volunteers and called personnel. The Senior Pastor shall make recommendations for annual reviews, employment matters, hiring and termination of paid staff, to the Governing Board. The Senior Pastor shall report to the Governing Board regarding the day to day operations of the Church in order that the Governing Board may fulfill its obligations under these Bylaws. The designation of "Senior Pastor" shall only be made by call.

Section XI - Funds.

The Church has and shall maintain three types of funds, General fund to be used to support the Purpose of the Church, Dedicated Funds to support special programs carrying out the Purpose of the Church, and Endowment Funds to support the Purpose of the Church.

a. General Purpose Funds. The Church shall have a general-purpose fund that will be allocated to the various ministries in an annual budget.

b. Dedicated Funds. Dedicated Funds are monies given to support specific ministry programs and shall be maintained in the Church's general asset account and designated to a specific purpose.

c. Endowment Funds. Community Lutheran Church Endowment Fund consists of monies given to establish an investment fund where the interest income may be reinvested and/or used to support the mission of the Church. The Governing Board may create other endowment funds for special purposes. Each special purpose endowment fund shall be named to clearly identify the purpose of the fund.

The Governing Board shall further specify the use of funds in the Operations Manual maintained by the Governing Board.

Section XII – Multi-Campus Ministries.

The Church congregation worships at multiple locations, which together are one Congregation. The establishment of new worship locations shall be reviewed and approved by the Governing Board and Voter's Assembly. The Governing Board shall approve any new locations used by the Congregation. All ministry locations shall abide by these Bylaws.

Section XIII - Property.

The property of this Church is dedicated irrevocably to religious and charitable purposes and no part of net income or assets of this organization shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private individual.

Section IVX - Ownership.

This corporate body may receive, acquire, hold title to and manage such real estate and other property as it may need to accomplish its purpose, and may sell or dispose of such real estate and other property or any part thereof. This corporate body shall have all the rights and powers that are granted by the laws of the State of California to religious corporations. All real estate and other property and equipment shall be owned in the name of the Church.

Section XV - Division.

If at any time a division or separation should take place in this Congregation because of doctrine, the entire property and all benefits connected therewith shall remain with those members - whether majority or minority - who shall continue to adhere to Confessional Statement included in these Bylaws.

If a division should take place for any reason other than doctrine - or if each group professes adherence in confession and practice to the above article - the matter shall be submitted for review and ruling to that district of The Lutheran Church—Missouri Synod of which the Congregation is a member. The ruling of the District may be appealed to The Lutheran Church—Missouri Synod for review and ruling, which ruling is final.

Section XVI - Amendments.

These Bylaws may only be amended in a properly convened meeting of the Voters Assembly properly noticed.