

BY-LAWS OF
RICHLAND LUTHERAN CHURCH FOUNDATION, INC.

ARTICLE I

NAME

The name of the corporation shall be RICHLAND LUTHERAN CHURCH FOUNDATION, hereafter call the CORPORATION for the purpose of these By-Laws.

ARTICLE II

OFFICES

The principal office of the Corporation in the State of Washington shall be 901 Van Giesen Street, Richland, Washington 99352, unless otherwise located by the Board of Directors. The Board of Directors may select by resolution other or additional offices from time to time.

ARTICLE III

MEMBERS

Section 1. Members of this Corporation shall be all those persons defined as Members in the church or congregation in Richland, Washington known as RICHLAND LUTHERAN CHURCH, as more particularly defined in the Constitution and By-laws of this Church or congregation. Members of the Corporation shall be governed by the same rules and regulations as set forth in the Constitution and By-laws of said church or congregation.

Section 2. Classes of members shall include voting members and non-voting members:

- a. Voting Members shall be those who are classified as such by the Constitution and By-laws of RICHLAND LUTHERAN CHURCH.
- b. Non-voting members shall be those other persons who are classified as such by the Constitution and By-laws of RICHLAND LUTHERAN CHURCH.

ARTICLE IV

MEETINGS OF MEMBERS

Annual Meetings

Section 1. The annual meeting of members of the Corporation shall be held prior to the last day of February of each year, or on such other date and place as may be fixed by the Board of Directors. The business to be transacted at such meeting shall be the election of directors and such other business as shall be specified by the Board of Directors prior to the meeting.

Special Meetings

Section 2. Special meetings of the members may be called by the President and Secretary, any three (3) Directors, or a number of members of the Corporation equal to the number of members necessary to call a special meeting of RICHLAND LUTHERAN CHURCH as defined by the Constitution and By-Laws of said church or congregation.

At any time, upon the written request of any person or persons entitled to call a special meeting, it shall be the duty of the Secretary to send out notices of such meeting, to be held in Richland not less than 30 days nor more than 60 days after receipt of the request.

Notice and Purpose of Meetings

Section 3. Each member shall be given, in person or by mail, written or printed notice of the purpose or purposes, and the time and place of every meeting of members. Such notice shall be delivered not less than 10 days nor more than 30 days before the meeting.

Quorum

Section 4. Except as otherwise provided by law, a quorum at properly called meetings shall consist of five per cent (5%) of the number of resident Voting Members on record at the close of the previous year.

Presiding Officer - Order of Business

Section 5. Meetings of the members shall be presided over by the President; or, if he/she is not present, by the Vice President; or if he/she is not present, by a chairman chosen by the Board of Directors as defined in Article V of the By-Laws of the Corporation.

The Secretary shall act as secretary of every meeting, but if he/she is not present, the Board of Directors shall choose any person to act as Secretary of the meeting.

The order of business shall be as follows:

1. Call of meeting to order.
2. Reading of the minutes of last previous annual meeting.
3. Reports of Officers.
4. Reports of committees.
5. Election of Directors (if necessary).
6. Miscellaneous business.

ARTICLE V
BOARD OF DIRECTORS

General Powers

Section 1. The affairs of the Corporation shall be managed by the Board of Directors initially consisting of six (6) individuals. Thereafter, the Board of Directors shall be composed of not less than six (6) and no more than ten (10) members. Composition of the Board of Directors may be increased (or decreased) by the vote of a majority of the Board of Directors, but shall remain between six and ten, inclusively. A majority of the Directors at any time elected and qualified to act shall constitute a quorum for the transaction of business at any meeting.

Election

Section 2. The initial Directors named in the Articles of Incorporation shall hold office until the first annual election of directors.

At the first annual election of Directors, Directors shall be elected on the following basis:

- a. The nominating committee shall present the initial Directors named in the Articles of Incorporation to the membership for election to the Board. This shall not preclude further nominations from the floor, provided the nominators have prior approval of the nominees. If there are no further nominations from the floor, a motion may be entertained by the Chairman of the first annual meeting to have the Secretary of such meeting cast a unanimous ballot for the initial Directors named in the Articles of Incorporation. If there are additional nominations from the floor, those six (6) nominees who receive the highest number of votes of the members present at such meeting, shall be elected.
- b. Two (2) directors of those directors elected shall serve for one (1) year, two (2) directors of those elected shall serve for two (2) years, two (2) directors of those directors elected shall serve for three (3) years, and the term of office for each director shall be determined by a draw held among themselves. Thereafter, at each annual election of directors, new directors to fill the vacancies of retiring directors shall be elected on the following basis:
- c. The members shall elect new directors to fill the vacancies of retiring directors for a term of three (3) years.
- d. The nominating committee for the election of directors shall consist of the members of the Congregation Council of RICHLAND LUTHERAN CHURCH as defined by the Constitution and By-Laws of said church or congregation. The nominating committee shall present a full slate to the membership for election to the Board. This shall not preclude further nominations from the floor, provided the nominators have prior approval of the nominees.
- e. If there are no further nominations from the floor, a motion may be entertained by the Chairman of such annual meeting to have the Secretary of such meeting cast a unanimous ballot for the nominees presented by the nominating committee. If there are additional

nominations from the floor, those nominees who receive the highest number of votes of the members present at such meeting, shall be elected.

Tenure

Section 3. Except for the initial Directors, all elected directors shall hold office for a term of three (3) years or until their prior death or resignation. The term of directors shall be staggered so that to the extent possible, an equal number of directors will be elected each year. Directors may be re-elected for additional terms.

Regular Meetings

Section 4. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Washington for the holding of regular meetings of the Board without other notice than such resolution. Except for the first meeting of the initial Directors, the first meeting of the Board of Directors shall take place before the last day of February of each year.

Special Meetings

Section 5. Special meetings of the Board of Directors may be called by or at the request of the President and Secretary or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors must select Richland as the place for the special meeting or such other place as previously agreed by a majority of the Board of Directors. Notice of any special meeting shall be given at least seventy-two (72) hours previously thereto by written notice delivered personally or mailed to each Director at his home address. If mailed such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon paid. Whenever any notice whatever is required to be given to any Director of the Corporation under the Articles of Incorporation or By-laws or any provision of law, a waiver thereof in writing, signed at any time whether before or after the time of the meeting, by the Director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting and objects thereat to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted and the purpose of any special meeting of the Board of Directors shall be specified in the notice or waiver of notice of such meeting.

Quorum

Section 6. Except as otherwise provided, a majority of the number of Directors of the Corporation shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a majority of the Directors present (though less than such quorum) may adjourn the meeting from time to time without further notice.

Manner of Acting

Section 7. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation or these Bylaws.

Informal Action Without Meeting

Section 8. Any action required or permitted by the Articles of Incorporation or By-laws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors then in office.

Removal of a Director

Section 9. Any Director may be removed from the Board of Directors for any reason by the affirmative vote of two-thirds (2/3) of the Directors then in office taken at a special meeting held for that purpose.

Vacancies

Section 10. Any vacancies occurring in the Board of Directors shall be filled by the affirmative vote of the majority of the Directors then in office and the persons named and elected to fill the vacancy shall serve for the balance of the unexpired term of the vacated directorship.

Compensation

Section 11. Directors shall receive no salaries for their services, but, by resolution of the Board, may receive an amount sufficient to reimburse themselves for any necessary expenses incurred in the performance of such other services as may be required of them by the Board.

Special Committees

Section 12. Special committees may be appointed by the President of the Board of Directors to perform such duties and have such authority as may be assigned to them by the Board of Directors.

Congregation Council Liasson

Section 13. The RICHLAND LUTHERAN CHURCH Congregation Council Vice President shall serve as Council liaison to the Board of Directors.

ARTICLE VI

OFFICERS

Section 1. Officers of the Corporation shall be President, Vice President, Secretary, and Treasurer, and shall be elected from the Board of Directors. Additional officers as may be designated from time to time by the Board of Directors may also be elected. The Board of Directors shall elect such Officers annually at the first meeting of the Board following the members annual meeting. Each Officer shall hold office until his/her successor shall have been duly elected except in the case of resignation or removal by the Board.

Removal and Vacancies

Section 2. Any officer may be removed from office by the Board of Directors by a majority vote at any regular or special meeting. Any vacancy in any office may be filled by the Board of Directors at any regular or special meeting.

President

Section 3. The President shall be the principal Executive Officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He/she shall, when present, preside at all meetings of members and the Board of Directors. He/she may sign, with the Secretary or any other proper Officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Vice President

Section 4. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice President shall perform 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 President shall perform such duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Secretary

Section 5. The Secretary shall: (a) keep the minutes of meetings of members and the Board of Directors' meetings; (b) see that all notices are duly given in accordance with the provisions of these By-laws or as required by the law; (c) be custodian of the corporate records; and (d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Treasurer

Section 6. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, savings and loans, trust companies or other depositories as shall be selected by the Board of Directors; and prepare quarterly financial statements for the Board of Directors and an annual financial statement to be presented at the annual meeting of members and at the annual meeting of RICHLAND LUTHERAN CHURCH; (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors; and (c) submit permanent financial records for annual audit.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Corporate Property

Section 7. Instruments of conveyance or transfer or encumbrance of real or personal property of the Corporation shall be signed by the President in the name of the Corporation, which instrument shall be attested to by the Secretary or such other officer as are designated by the Board of Directors.

ARTICLE VII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Contracts

Section 1. The Board of Directors may authorize any Officer or officers, agent or agents of the Corporation in addition to the Officers so authorized by the By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Checks, Drafts, and the Like

Section 2. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instrument shall be signed by the Treasurer and countersigned by the President or Vice President of the Corporation. No part of the net earnings or assets of the Corporation shall at any time inure to the benefit of any Director.

Deposits

Section 3. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank, banks, or savings and loans as the Board of Directors may select.

Gifts

Section 4. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any specific purpose of the Corporation.

ARTICLE VIII

BOOKS AND RECORDS.

The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of the Board of Directors which may be inspected by any Director or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE IX

AMENDMENTS

The Board of Directors, by the affirmative vote of a majority of the Directors shall have power to adopt, amend or repeal any of the By-laws of the Corporation, provided notice of the proposed amendment is given to each Director at least seventy-two (72) hours prior to such meeting. At the next annual meeting of members following any such action by the Board of Directors, the members, by a majority of the votes cast shall have the power to alter or repeal By-laws newly adopted by the Board of Directors, or to restore to their original status By-laws which the Board may have altered or repealed, and the notice of such members meeting shall include notice that the members will be called on to ratify the action taken by the Board of Directors with regard to the By-laws.

ARTICLE X

INVESTMENTS AND DISBURSEMENTS

Investments

Section 1. The Board of Directors shall have the authority to invest and reinvest assets of the Corporation. In investing or reinvesting the funds and property of the Corporation, the Board of Directors of the Corporation shall be governed by the rules prescribed by RCW Chapter 11.100 and RCW Chapter 11.104 of the Washington Statutes having to do with trust fund investments. No more than 80% of the total amount received from donors shall be invested or reinvested in common stock. As to assets presently held or from time to time acquired by the Corporation which may not be eligible for investment under the above Statutes, and as to assets which may hereafter become ineligible for such investment, the Corporation may retain such assets in its discretion.

Disbursements

Section 2. Subject to the limitations hereinafter set forth, the income and principal of the Corporation shall be disbursed for only those purposes as more particularly set forth in Article III of the Articles of Incorporation. The Corporation shall not disburse funds from either the income or principal account in aid and support of the general operations of RICHLAND LUTHERAN CHURCH. Operating expenses of the Corporation shall be disbursed from income, or from funds donated specifically for operations of the Corporation. The Corporation shall not disburse funds from the principal account unless the principal amount exceeds the sum of \$500,000.00 and shall not create or allow any overdraft of undistributed income. The Corporation shall not loan principal funds to a beneficiary, and shall not pledge or commit income funds to a beneficiary prior to the actual receipt thereof in cash. Profits realized from the sale or transfer of securities or other assets in the principal account shall remain as principal and losses from the sale or transfer of securities or other assets in the principal account may, in the discretion of the Board of Directors, be charged to the principal account and not be charged against the income account. Stock dividends or dividends received, from capital owned by agencies other than the Corporation, in the form of capital stock shall be treated and considered as principal. Any portion of income may, at the discretion of the Board of Directors, be transferred to the principal account and shall remain there permanently. Income to the Corporation from living trusts shall be treated and considered as principal. Any and all requests for aid and assistance made on behalf of RICHLAND LUTHERAN CHURCH, shall be presented to the Board of Directors of the Corporation, in writing, for their consideration.