

BYLAWS
OF
LUTHERAN SERVICES IN AMERICA, INCORPORATED
(A Maryland Non-Stock Corporation)
(Case for Change proposed amendments: Draft #3)

ARTICLE I
NAME, REGISTERED AGENT

Section A. Name. The name of the Corporation shall be LUTHERAN SERVICES IN AMERICA, INCORPORATED.

Section B. Registered Agent. The name of the Registered Agent and the address of the Registered Office may be changed from time to time by the Board of Directors.

ARTICLE II
MEMBERS

Section A. Classes of Members. The Corporation shall have Class A and Class B members. As Provided in Article IX of these Bylaws, the Corporation may establish criteria for “Associate Members,” whose relationship with LSA shall be governed exclusively by that Article. “Associate Members” as defined under Article IX shall not be considered members of the Corporation for purposes of the rights or powers conferred by these Bylaws or the law of Maryland.

Section B. Class A Members. Class A members shall be all social ministry organizations that are, from time to time, affiliated as Social Ministry Organizations by the appropriate unit of the Evangelical Lutheran Church in America (ELCA) or that are, from time to time, recognized as Recognized Service Organizations by the appropriate unit of The Lutheran Church-Missouri Synod (LCMS). In the event that an LCMS recognized parent organization has subsidiary organizations separately recognized by The Lutheran Church-Missouri Synod, the parent organization will serve as the sole LSA Class A voting member. If a Class A member ceases to be so affiliated or recognized, it thereupon ceases to be a Class A member of the Corporation.

Section C. Representation and Voting of Class A Members. Each Class A member shall be represented by one (1) individual who shall be its representative and shall vote on its behalf. The representative shall be the Class A member's chief staff executive or the chief staff executive's duly appointed representative. Each representative of a Class A member shall have one (1) vote on any matter presented to the members for a vote. In the event that an LCMS recognized parent organization has subsidiary organizations separately recognized by The Lutheran Church-Missouri Synod, the parent organization will serve as the sole LSA Class A voting member.

Section D. Class B Members. The Class B members shall be the Evangelical Lutheran Church in America and The Lutheran Church-Missouri Synod.

Section E. Representation and Voting of Class B Members. Each Class B member shall appoint one (1) individual who shall be its representative and shall vote on its behalf. Each representative of a Class B member shall have one (1) vote on any matter presented to the members for a vote.

ARTICLE III MEETINGS OF THE MEMBERS

Section A. Annual Meeting. An Annual Meeting of the members shall be held in the first half of the calendar year at such time, place, and date as the Board of Directors may select. At the Annual Meeting, Class A members shall elect chief executive officer directors in accordance with Article V.B, the budget shall be approved, and all other business properly before the members shall be transacted. The annual budget, which shall include all revenue sources, must be approved by a majority of the Class A members present at the Annual Meeting and by the written concurrence of both Class B members.

Section B. Special Meeting. Special Meetings of the members may be called by the Chairperson at any time and shall be called by the Chairperson upon delivery to the Chairperson of either (1) a written request to the Chairperson by a majority of the Board of Directors or (2) a written ballot of ten percent of the Class A members and the written concurrence of the Class B members of the Corporation.

Section C. Notice of Meetings. Notice of the date, time, place, and agenda of each Annual or Special Meeting shall be sent to each Class A and Class B member not less than thirty (30) days before such meeting. The notice shall be addressed to each Class A and Class B member at the member's address as it appears in the records of the Corporation.

Section D. Quorum. At all meetings of the members, the presence of representatives of ten percent (10 %) of the Class A and Class B members shall be necessary and sufficient to constitute a quorum for the transaction of business. If at any meeting less than a quorum is present, a majority of the representatives present may adjourn the meeting from time to time and reconvene it without further notice to the Class A and Class B members.

Section E. Voting. Except as expressly otherwise provided in these Bylaws of the Corporation, any motion or resolution before the members for a vote shall be adopted by a majority vote of the representatives present at a duly called and convened meeting of the members. Action of the members on any motion or resolution may be taken by written ballot.

Section F. Written Concurrence of Class B Members. The written concurrence of the Class B members, as required in these Bylaws, shall be given in a manner to be determined by the Class B members. The Evangelical Lutheran Church in America, on recommendation of the appropriate unit of the Evangelical Lutheran Church in America, shall make such determination on behalf of the Evangelical Lutheran Church in America, and the The Lutheran Church—Missouri Synod, on recommendation of the appropriate unit of The Lutheran Church—Missouri Synod, shall make such determination on behalf of The Lutheran Church-Missouri Synod.

ARTICLE IV
WITHDRAWAL OF CLASS B MEMBERS

Section A. Withdrawal of One Class B Member.

1. A Class B member may withdraw as a member of the Corporation at any time, for any reason, upon sixty (60) days written notice thereof given to the Corporation at its Registered Office and to the remaining Class B member.

2. Upon the withdrawal of a Class B member, all rights and authorities of said member shall cease and all references by name or otherwise in the Articles of Incorporation and Bylaws of the Corporation to the withdrawn Class B member shall be deemed deleted and of no further effect, and all rights, authorities, and actions required or permitted to be exercised by such Class B member shall be exercised solely by the remaining Class B member. Accordingly, any provision in the Articles of Incorporation and Bylaws of the Corporation that requires the withdrawn Class B member's consent or written concurrence shall thereafter be deemed to require only the remaining Class B member's consent or written concurrence.

3. If a Class B member withdraws, the Class B director appointed by such Class B member shall be deemed removed, effective as of the date of withdrawal of the Class B member.

Section B. Withdrawal of Both Class B Members.

1. Both Class B members may withdraw as members of the Corporation, either concurrently or consecutively, at any time, for any reason, upon sixty (60) days' written notice thereof given to the Registered Agent of the Corporation at its Registered Office.

2. Upon the withdrawal by both Class B members or by the sole remaining Class B member, all references by name or otherwise in the Articles of Incorporation and Bylaws of the Corporation to the withdrawn Class B member(s) shall thereafter be deemed deleted and of no further effect, and all rights, authorities, and actions required or permitted to be exercised by the Class B member(s) shall cease and be of no further effect. Thereafter, all rights, authorities, and actions required or permitted to be exercised by the members of the Corporation shall be exercised solely by the Class A members, which shall be the sole class of members of the Corporation. Accordingly, any provision in the Articles of Incorporation and Bylaws of the Corporation that requires the Class B members' consent or written concurrence shall thereafter be deemed to require only the Class A members consent or concurrence.

3. If both Class B members withdraw from membership in the Corporation, either concurrently or consecutively, then both directors appointed by the Class B members shall be deemed removed, effective as of the date of withdrawal of the Class B member(s). Thereafter, all references in the Bylaws of the Corporation to directors appointed by Class B members shall be deemed deleted, and the Board of Directors shall be composed solely of chief executive officer and board-elected directors, and all actions of the Board of Directors shall thereafter be taken by vote of the chief executive officer and board-elected directors.

ARTICLE V
BOARD OF DIRECTORS

Section A. Number of Directors and Lutheran Affiliation. The Board of Directors shall be composed of no less than ten (10) nor more than thirteen (13) directors. No less than four (4) nor more than six (6) directors shall be chief executive officers elected by Class A members. Two (2) directors shall be appointed by the Class B members, one from the Evangelical Lutheran Church in America and one from the Lutheran Church – Missouri Synod. No less than four (4) nor more than six (6) directors shall be elected by the Board. At least 50% of the members of the Board of Directors shall be active members of Lutheran congregations. If, by reason of the withdrawal of any chief executive officer or board-elected director, the number of Lutheran members falls below 50% of the members of the Board of Directors, the board shall elect an active member of a Lutheran congregation to fill the vacancy.

Section B. Chief Executive Officer Directors Elected by Class A Members.

1. Each chief executive officer director elected by Class A members shall be elected to a term of office of three (3) years. No such director may serve more than two (2) consecutive full terms or seven (7) consecutive years.

2. Class A members present at the Annual Meeting shall, by a majority vote, elect chief executive officer directors from member organizations to fill any vacancies resulting from expiring terms of office.

3. Any vacancy resulting from the resignation, death, or removal of a chief executive officer director elected by Class A members may be filled by a majority vote of the Board of Directors then in office. The term of office of any such director elected to fill an unexpired term shall be the remaining term of his or her predecessor.

4. The Board of Directors may, with or without cause, at any time, remove a chief executive officer director by the vote of at least three-fourths of all directors.

Section C. Directors Appointed by Class B Members.

1. The Evangelical Lutheran Church in America and The Lutheran Church-Missouri Synod shall each appoint one director. The directors appointed by Class B members shall be the Executive Director of the appropriate unit of the Evangelical Lutheran Church in America, or such person named by the Presiding Bishop of the ELCA for this position and the Executive Director of the appropriate unit of The Lutheran Church—Missouri Synod, or such person named by the President of the LCMS for this position.

Section D. Board-elected Directors.

1. Each director elected by the Board of Directors shall be elected to a term of office of three (3) years. No board-elected director may serve more than two (2) consecutive full terms or seven (7) consecutive years.

2. In the event of a vacancy in a board-elected director position resulting from the expiration of a term, the remaining directors present at the Board of Directors meeting concurrent with the Annual Meeting may, by a majority vote, elect a person to fill any such vacancy.

3. In the event of a vacancy in a board-elected director position arising for any reason other than the expiration of a term of office, the remaining directors by a majority vote may elect a replacement to fill the unexpired term.

4. In the event the Board of Directors determines a need to increase the number of board-elected directors, not due to expiration of a term, death, resignation, or removal of a director, the Board may elect by a majority vote an additional director or directors, so long as the number of board-elected directors does not exceed the number provided in Article V.A. Any board-elected director elected pursuant to this provision shall begin her or his term immediately. Such a board-elected director may not serve more than two (2) consecutive three year terms or seven (7) consecutive years.

5. The Board of Directors may, with or without cause, at any time, remove a board-elected director by the vote of at least three-fourths of all incumbent directors.

Section E. Resignation. Any director, other than the directors appointed by the Class B members, may resign at any time by giving written notice of such resignation to the Chairperson of the Corporation. The written notice shall state the effective date of such resignation, and the office of such director shall be vacant as of the stated effective date.

ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS

Section A. Regular and Special Meetings. Regular Meetings of the Board of Directors may be held at such times and places as may be determined by the Board of Directors. Special Meetings of the Board of Directors may be called at any time by the Chairperson of the Corporation or by a majority vote of the Board of Directors.

Section B. Notice of Meetings. Notice of the date, time, place, and purpose of each Regular or Special Meeting shall be given by the Secretary of the Corporation to each director by serving a copy personally, by mail, or by authorized electronic transmission not less than ten (10) days before such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail and addressed to each such director at the director's address as it appears in the records of the Corporation. Such notice may be waived by any director in writing, whether or not in attendance, and shall be deemed waived by such director's attendance at such meeting.

Section C. Quorum. At all meetings of the Board of Directors, the presence of a majority of the directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business. If at any meeting less than a quorum is present, a majority of those directors present may adjourn the meeting from time to time and reconvene it upon notice to all directors.

Section D. Voting. Except as otherwise required in these Bylaws or in the Articles of Incorporation of the Corporation, all actions of the Board of Directors shall be taken by a majority of the directors present at a duly called and convened meeting of the directors.

Section E. Electronic Communication. Any one or more directors may participate in a meeting of the Board of Directors by any means of communication which enables the director, all other directors participating, and all directors physically present at the meeting to simultaneously hear each other during the meeting.

Section F. Action Without Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if consent is given in writing or by electronic transmission by each duly elected, qualified, and acting directors, and is filed with the Secretary of the Corporation in paper or electronic form, and included within the minutes of proceedings of the board.

ARTICLE VII GOVERNANCE

Section A. Annual Budget and Audit. The Board of Directors shall recommend an annual budget for adoption by the members. Recommendation of the proposed annual budget shall require an affirmative vote of four-fifths (4/5) of the directors then in office. The Board of Directors shall require an annual independent audit of the financial books and records of the Corporation. Copies of the audit shall be available to the members of the Corporation upon request.

Section B. Dues. The Class A members shall be required to pay dues in order to be Class A members of the Corporation. The Board of Directors shall recommend as part of the annual budget the amount and the manner of assessment of the Class A members' dues, which shall be a sliding scale based on the operating expenses of the Class A members. The Class B members shall grant such financial support to the Corporation as they shall deem appropriate.

Section C. Lutheran Legacy and Doctrinal Position. The Board of Directors shall maintain the Corporation's historic Lutheran identity and legacy of caring through service and shall insure that the Corporation is operated in a manner consistent with the doctrine and practices of the Class B members. The Board of Directors shall establish policies pursuant to which some members may from time to time exempt or exclude themselves from participation in the Corporation's positions, programs, or services.

Section D. Committees. A resolution approved by the affirmative vote of a majority of the Board of Directors may establish one or more committees having the authority of the Board of Directors in the management of the business of the Corporation to the extent provided in the resolution and permitted by law. Committees are subject at all times to the direction and control of the Board of Directors.

ARTICLE VIII
OFFICERS

Section A. Number and Designation. The officers of the Corporation, to be elected by the Board of Directors, shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer, all of whom shall be members of the Board of Directors, together with a President, who shall not be a member of the Board of Directors, and such other officers as the Board of Directors may designate, who may or may not be members of the Board of Directors. No director may serve more than two consecutive one-year terms in the office to which elected. At least one officer shall be a chief executive officer elected by Class A members and at least one officer shall be a board-elected director.

Section B. Election of President. The Board of Directors shall elect a President, who shall be the chief executive officer of the Corporation and who shall hold office until a successor shall have been duly elected by the Board of Directors and such successor shall have begun to serve. The President shall not be a member of the Board of Directors. An affirmative vote by four-fifths (4/5) of the directors then in office shall be required for the election of the President. The salary and terms of employment of the President shall be fixed by the Board of Directors.

Section C. Removal of President. The President may be removed from office by an affirmative vote of four-fifths (4/5) the directors then in office, with or without cause.

Section D. Vacancy of President's Office. A vacancy in the President's office by death, resignation, removal, or any other cause, may be filled for the unexpired term of the President's office by an affirmative vote of four-fifths (4/5) of the directors then in office.

Section E. Election of Officers. Each officer (other than the President) shall be annually elected by the Board of Directors by affirmative vote of four-fifths (4/5) of the directors present at the last meeting of the Board of Directors prior to the Annual Meeting and shall hold office for a period of one year beginning July 1 or until a successor shall have been duly elected and the term of such successor shall begin. The newly elected officers shall be reported to the Annual Meeting.

Section F. Chairperson. The Chairperson shall preside at all meetings of the Board of Directors and at the Annual Meeting of the Membership. The Chairperson shall insure the integrity of the Board of Director's process in fulfilling the mandates of the Corporation and shall verify that the executive actions are in compliance with policy. The Chairperson, or the Vice Chairperson or such other member of the Board of Directors presiding over a meeting of the Board of Directors in the Chairperson's absence, shall vote on all matters brought before the Board of Directors.

Section G. Vice Chairperson. The Vice Chairperson shall, in the absence of the Chairperson, preside at meetings of the Board of Directors.

Section H. Secretary. The Secretary shall have custody of the books and records of the Corporation, shall maintain a record of actions by the Board of Directors, and shall be responsible for the giving and serving of all notices of meetings of the Board of Directors.

Section I. Treasurer. The Treasurer shall monitor the conduct of fiscal operations and fiduciary responsibilities of the Corporation. He or she shall verify that the funds and securities of the Corporation are deposited in such financial institutions, accounts, or depositories as are approved by the Board of Directors. The Treasurer shall submit a written report to the Membership at the Annual Meeting and may also report at any meeting of the Board of Directors any developments affecting the financial condition of the Corporation.

Section J. Removal. Any officer (other than the President) may be removed from office, with or without cause, by an affirmative vote of four-fifths (4/5) of the directors present at a duly called and convened meeting of the Board of Directors.

Section K. Vacancies. Any vacancy in the office of any officer (other than the President), whether by death, resignation, or removal, or any other cause, may be filled for the unexpired term of the office by the affirmative vote of four-fifths (4/5) of the directors present at a duly called and convened meeting of the Board of Directors.

ARTICLE IX ASSOCIATE MEMBERS

Section A. Creation of class. The Board of Directors may establish criteria and procedures through which certain organizations that are not eligible for membership as defined in Article II of these Bylaws may participate in LSA events and activities, and receive other benefits available to members.

Section B. Eligibility for Associate Membership. The Board of Directors is responsible for establishing the specific criteria and procedures for Associate Membership, but should the Board create such a category, the Board shall ensure that any candidate for Associate Membership: (1) is an organization; (2) that has a substantial and continuing connection with the Lutheran tradition; and (3) is engaged in the provision of services on a not-for-profit basis.

Section C. Rights and benefits of Associate Membership. The Board shall determine the specific benefits of Associate Membership. But the Board may not grant Associate Members any of the governance rights of LSA members, as set forth in Article II. Associate Members are not “members” of the Corporation for legal purposes.

ARTICLE X FISCAL YEAR

The fiscal year of the Corporation shall be established by the Board of Directors.

ARTICLE XI BANKS AND LEGAL DOCUMENTS

The Corporation shall maintain accounts with such banking institutions as the Board of Directors may from time to time determine. All checks, drafts, bills of exchange, notes or other obligations or orders for the payment of money and all other legal or contractual documents shall be signed in the name of the Corporation by such person or persons as the Board of Directors may from time to time designate by appropriate resolution.

ARTICLE XII
BONDING

Each officer of the Corporation and those members of the staff, as the Board of Directors requires, shall be bonded by a surety company for the safeguard of funds, securities, and records. The amount of the bond shall be fixed by the Board of Directors. Cost of the bond shall be borne by the Corporation.

ARTICLE XIII
FINANCIAL RESPONSIBILITY

The Corporation shall be solely responsible for the management and fiscal affairs of the Corporation and for the payment of any debts and liabilities incurred by the Corporation. The members of the Corporation shall not be liable for the debts and obligations of the Corporation.

ARTICLE XIV
INDEMNIFICATION

Section A. Persons Indemnified.

1. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to or witness in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he/she/it is or was a member, employee, agent, trustee or any officer of the Corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit, or proceeding to the fullest extent permitted under Maryland law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights apart from the foregoing provisions of this paragraph. The provisions of this Article XIV shall be deemed to be a contract between the Corporation and each member, trustee, and officer who serves in such capacity.

2. The Corporation may indemnify any person who was or is a party or is threatened to be made a party to or witness in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he/she/it is or was an employee or agent of the Corporation, and is or was serving at the request of the Corporation, as a member, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit, or proceeding to the extent and in the manner set forth in and permitted by Maryland law, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which any such person may be entitled apart from the foregoing provisions of this Article XIV.

Section B. Insurance. The Corporation shall acquire and maintain adequate policies of insurance to insure the indemnifications required by this Article XIV.

ARTICLE XV
CONFLICT OF INTEREST

Any possible conflict of interest on the part of a director shall be disclosed to the Board of Directors on an annual or more frequent basis. When any such conflict of interest becomes a matter for action by the Board of Director, such director(s) with a conflict of interest shall not vote on the matter. The director(s) with a conflict of interest may, however, briefly state a position on the matter and answer pertinent questions asked by other directors. The minutes of all actions taken on such matters shall clearly reflect that the requirements of this Article have been met.

ARTICLE XVI
SEAL

The Board of Directors may, as it shall deem appropriate, provide a corporate seal.

ARTICLE XVII
DISSOLUTION

The Corporation may be dissolved in the manner provided in the Articles of Incorporation of the Corporation and the Corporations and Associations article of the Annotated Code of Maryland by an affirmative vote of the majority of the Class A members and with the written concurrence of the Class B members at an Annual or Special meeting, provided that notice of the proposed dissolution is contained in the notice of such meeting.

ARTICLE XVIII
AMENDMENTS

The Articles of Incorporation and these Bylaws of the Corporation may be amended by an affirmative vote of the majority of the Class A members and with the written concurrence of the Class B members at any Annual or Special Meeting of the members, provided that notice of the content of the proposed amendment is included in the notice of such meeting.