



# Bylaws of Bethesda Lutheran Foundation, Inc.

*(As Revised February 19, 2016)*

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## **ARTICLE I – OFFICES**

Bethesda Lutheran Foundation, Inc. (the “Foundation”) shall maintain a principal office in the State of Wisconsin. The Foundation may have such other offices, either within or without the State of Wisconsin, as may be designated from time to time by resolution of the Board of Directors.

## **ARTICLE II – BOARD OF DIRECTORS**

### **Section 1. GENERAL POWERS AND PURPOSES**

All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, the Board of Directors. The purposes of the corporation as a supporting organization for Bethesda Lutheran Communities, Inc. are set forth in the Articles of Incorporation. To those ends, the Board of Directors’ duties and responsibilities shall include:

- (a) The establishment and maintenance of an appropriate investment policy and associated goals and standards;
- (b) The engagement of professional investment and financial planning counsel to manage the invested assets, and the evaluation of such counsel based upon the goals and standards of the investment policy;
- (c) The ongoing evaluation and amendment if necessary of the investment policy, to ensure its alignment with and support for the strategic goals and business needs of Bethesda Lutheran Communities, Inc.

### **Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS**

- (a) The Board of Directors shall be comprised of five (5) directors. In the event of director vacancies, it may act if there are at least three directors.
- (b) Each director shall also be a director of Bethesda Lutheran Communities, Inc.

### **Section 3. DIRECTOR SELECTION AND TERMS**

- (a) The Treasurer of Bethesda Lutheran Communities, Inc.  
The Treasurer of Bethesda Lutheran Communities shall be a director of Foundation as an incident of and while occupying the office of Treasurer of Bethesda Lutheran Communities, Inc.

(b) Directors Elected by Bethesda Lutheran Communities, Inc.

The four (4) other directors shall be elected by the Board of Directors of Bethesda Lutheran Communities, Inc. These candidates shall be nominated by the Foundation Board of Directors.

(c) When Director Elections May Occur.

A director(s) election may occur at (1) the annual regular November Board of Directors meeting of Bethesda Lutheran Communities, Inc.; or (2) to fill a director vacancy, at any regular or special Board of Directors meeting of Bethesda Lutheran Communities, Inc.

(d) Term of Office.

Subject to the below, the term of office for an elected director shall be three (3) years. For directors elected at the regular annual November Board of Directors meeting, the election term shall begin at the adjournment of the Board of Directors meeting at which the election was held, and shall end at the adjournment of the regular November Board of Directors meeting held three years after the election. The election term for a director elected to fill a vacancy shall begin at the adjournment of the Board of Directors meeting at which the election was held and shall end when the term would have ended for the director who vacated the position.

(e) Director Election Year Class Allocation.

The directors shall be divided into three (3) election year classes, with two classes consisting of two director positions and one class consisting of one director position. The term of each election year class shall end in a different year of the three-year election cycle. The Board of Directors shall assign directors into the election year classes. If circumstances make it advisable in its discretion, the Board of Directors may assign one or more directors to another election year class. In doing so, the Board of Directors shall apply a method that changes the election year class of the fewest directors possible. If a director is assigned to another election year class, the director's term and election cycle shall be that of the newly assigned class, except if applicable the director's last eligible election term shall be for one or two years as needed to permit the director to reach the director's term limit.

(f) Director Term Limits.

For purposes of the term limits described herein, the time of service need not be continuous. If intermittent, only time actually served as a director shall count toward the term limit. A director initially elected after the regular November 2015 Board of Directors meeting election shall be ineligible to serve as a director after having completed nine (9) years of service. A director elected to fill a vacancy after the regular November 2015 Board of Directors meeting election shall be ineligible to serve as a director after having completed nine (9) years of service measured from the director's initial regular November Board of Directors meetings election. A director elected before the regular November 2015 Board of Directors meeting election shall be ineligible to serve as a director after having completed twelve (12) years of service.

#### Section 4. RESIGNATION

A director may resign at any time by filing a written resignation with the Secretary of the Foundation.

#### Section 5. REMOVAL

A director may be removed from office with or without cause by the Board of Directors of the Foundation, either at a regular meeting or at any special meeting called for that purpose.

#### Section 6. VACANCIES

In the event a vacancy occurs in the Board of Directors, an interim director shall be elected by the Board of Directors of Bethesda Lutheran Communities, Inc. An interim director shall serve until a successor is elected upon expiration of the term of office for that director.

#### Section 7. REGULAR MEETINGS

The Board of Directors shall have a regular meeting once every three months, ordinarily in February, May, August and November.

#### Section 8. SPECIAL MEETINGS

Special meetings of the Board may be called by the Chairman of the Board, or upon the written request of three (3) directors.

#### Section 9. MEETINGS BY TELEPHONE OR OTHER COMMUNICATION TECHNOLOGY

(a) Any or all directors may participate in a meeting of the Board of Directors, regular or special, or in any committee meeting of the Board of Directors, including a committee empowered to exercise the power of the Board of Directors in designated matters, by or through the use of a computer system, telephone or any other means of communication by which either: (i) all participating directors may simultaneously hear each other during the meeting or (ii) all communication during the meeting is immediately transmitted to each participating director, and (iii) each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in subsection

(a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in subsection (a) is deemed to be present in person at the meeting.

#### Section 10. QUORUM

A majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

#### Section 11. COMPENSATION

Directors of the Foundation shall not receive compensation for serving as directors, but may receive reasonable compensation for other personal services rendered which are necessary to carrying out the exempt purposes of the Foundation. In addition, directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

#### Section 12. SPECIFIC POWERS AND PURPOSES RESPECTING AUDIT AND GOVERNANCE FUNCTIONS

The Board of Directors shall have the following authority and responsibilities respecting the audit and compliance matters:

- A. The Board of Directors shall oversee the accounting practices and policies of the Foundation.
- B. The Board of Directors shall annually engage independent auditors to examine the finances and accounting systems of the Foundation, and to submit an audit report to the Board of Directors at its November meeting. The independent auditors shall report directly to the Board of Directors. The Board of Directors shall convey to the independent auditors that they are accountable to the Board of Directors.
- C. The Board of Directors shall resolve any disagreements between management and the independent auditors regarding financial reporting. This authority shall not be delegated to management.
- D. The Board of Directors shall have the power to retain and terminate the services of independent auditors, outside legal counsel, or other consultants as necessary to fulfill its responsibilities as stated herein.

- E. The Board of Directors shall have the power to require management and others to attend its meetings and provide pertinent information as necessary. It may conduct executive sessions with independent auditors, the President and Chief Executive Officer, executive and other staff or contracted consultants to review any matter relating to the finances and accounting systems of the Foundation or significant risks or exposures facing the Foundation.
- F. The Chairman of the Board of Directors has the power to independently retain independent auditors, outside legal counsel, investigators or other consultants as necessary if the Chairman determines, after reasonable deliberation, that such retainer is in the best interests of the Corporation under the circumstances. In this event, the Chairman shall report such action(s) to the Board of Directors as soon as reasonably possible considering the best interests of the Corporation.
- G. The Board of Directors shall review all legal and regulatory matters that may have a material impact on the Foundation's financial statements.
- I. The Board of Directors shall oversee the Foundation's ethics and compliance program.
- J. The Board of Directors shall establish procedures to receive and respond appropriately to reports from any source regarding accounting concerns, internal controls, auditing matters or potentially illegal activities.
- L. The Board of Directors shall on an ongoing basis consult and coordinate with the Audit Committee of Bethesda Lutheran Communities, Inc. respecting audit and compliance matters.

The Board of Directors shall have the following authority and responsibilities respecting governance matters:

- A. The Board of Directors shall evaluate the performance of directors.
- B. The Board of Directors shall assess and seek to improve the orientation of new directors.
- C. The Board of Directors shall assess and seek to improve the training and development of all directors.
- D. The Board of Directors shall oversee and support the conduct of the officers elections consistent with these Bylaws and the policies of the Foundation;
- E. The Board of Directors shall assign directors to election year classes, and may re-assign directors to other election year classes as needed to meet election year class requirements.

- F. The Board of Directors shall on an ongoing basis assess and seek to improve the functioning of the Board of Directors and its systems of governance.
- G. The Board of Directors shall periodically review the governing documents (Articles of Incorporation, Bylaws and Board governance policies), and recommend any changes it deems advisable to the Board of Directors.

## **ARTICLE III – OFFICERS**

### **Section 1. NUMBER**

The Foundation shall have five principal officers: a Chairman of the Board, a Vice-Chairman of the Board, a President, a Treasurer and a Secretary. Subject to the approval of the Board of Directors, the President may designate principal executive staff as officers of the Foundation. Any officers so designated shall have an officer title including the phrase “Vice President.”

The Treasurer of Bethesda Lutheran Communities shall be the Chairman of the Board of Foundation as an incident of and while occupying the office of Treasurer of Bethesda Lutheran Communities, Inc. The Board of Directors shall elect the Vice-Chairman of the Board, Treasurer and the Secretary. The President shall be the President and Chief Executive Officer of Bethesda Lutheran Communities, Inc., and shall hold the office of President as an incident of and while occupying that position, unless removed by the Board of Directors.

The same person may hold any of the following combinations of offices: Vice-Chairman of the Board and Secretary; Vice-Chairman of the Board and Treasurer, Treasurer and Secretary. The President shall hold no other office.

### **Section 2. ELECTION AND TERM OF OFFICE**

The elected officers of the Foundation shall be elected annually by the Board of Directors at its regular Board of Directors meeting in November. Each elected officer shall hold office from the close of the meeting for a term of one year, or until a qualified successor is elected upon expiration of the term of that officer, or until that officer's death, or until that officer shall resign or shall have been removed in the manner hereinafter provided.

### **Section 3. VACANCIES**

A vacancy in any one of the Board member officer positions may be filled by the Board of Directors for the unexpired portion of the term.

#### Section 4. DUTIES AND AUTHORITY OF OFFICERS.

The principal duties of the officers shall be as follows:

The Chairman of the Board shall preside at all meetings of the Board of Directors, and perform such other duties as may be prescribed by the Board of Directors from time to time or as may be prescribed by the Bylaws of the Corporation.

The Vice-Chairman of the Board shall perform all duties of the Chairman of the Board in the absence or inability of the latter to act.

The Secretary shall be responsible for the creation of the minutes of all meetings of the Corporation, the Board of Directors and the Executive Committee; shall develop and maintain systems to keep and appropriately secure the minutes and records of the Board of Directors; shall attend to the correspondence of the Corporation, countersign all documents required by the Board of Directors and attach the corporate seal thereto, if necessary; and perform such other duties as may be required by the Board of Directors or by the Bylaws.

The Treasurer shall have supervision of and responsibility for all funds of the Corporation.

The President shall be the chief executive officer of the Corporation and shall have general charge and control of all its business affairs. The President shall sign and execute contracts and other written instruments in the name of the Corporation, and shall have the general powers and duties usually vested in the office of President of a corporation.

Any officers designated as Vice Presidents shall have the powers and duties designated by the President and approved by the Board of Directors.

Each and all of said officers of the Corporation shall also have the further powers and shall discharge the duties not herein before specifically mentioned which are usually incidental to their respective offices in similar corporations organized under the laws of the State of Wisconsin and such other or further powers and duties as may from time to time be given and granted or required by the Bylaws of the Corporation or by due resolution of its members or Board of Directors.

#### Section 5. OTHER OFFICERS, ACTING OFFICERS AND ASSISTANTS

The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer so



appointed by the Board of Directors shall have the power to perform all the duties of the office to which such person is so appointed to be assistant, or as to which such person is so appointed to act, except as such power may otherwise be defined or restricted by the Board of Directors. Any person so appointed shall have only such authority, duties and responsibilities as shall be specifically authorized and designated by the Board of Directors or as provided by these bylaws.

#### Section 6. COMPENSATION

Officers of the Foundation shall not receive compensation for serving as officers, but may receive reasonable compensation for other personal services rendered which are necessary to carrying out the exempt purposes of the Foundation. In addition, officers may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

#### **ARTICLE IV – AD HOC COMMITTEES**

Ad hoc committees may be appointed as deemed necessary by the Board of Directors. These committees shall be advisory to the Board of Directors or any of its committees and shall have no other legal status. Unless the enabling resolution appoints the members and chairperson of an ad hoc committee, the Chairman of the Board shall appoint the members of an ad hoc committee and its chairperson. An ad hoc committee may include any member of the Board of Directors or any other person selected by the Chairman of the Board. The initial charge shall advise the ad hoc committee when and to whom it should make its report and recommendations. Each ad hoc committee shall automatically cease to exist as soon as it has completed its assigned task unless extended by a resolution of the Board of Directors. The Chairman of the Board shall be an ex-officio member of all ad hoc committees.

#### **ARTICLE V – FISCAL YEAR**

The fiscal year of the Foundation shall begin on the first day of September and end on the last day of August in each year.

#### **ARTICLE VI – SEAL**

The Board of Directors may provide a corporate seal and prescribe the form thereof.

## **ARTICLE VII– CORPORATE ACTS, LOANS, AND DEPOSITS**

### **Section 1. CORPORATE ACTS.**

Each officer shall have authority to sign, execute and acknowledge on behalf of the Foundation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the Foundation's regular business, or which shall be authorized by resolution of the Board of Directors. Except as otherwise provided by law or directed by the Board of Directors, the Chairman of the Board or the President may authorize in writing any officer or agent of the Foundation to sign, execute and acknowledge such documents and instruments in his or her place and stead. The Secretary of the Foundation is authorized and empowered to sign in attestation all documents so signed, and to certify and issue copies of any such document and of any resolution adopted by the Board of Directors of the Foundation, provided, however, that an attestation is not required to enable a document to be an act of the Foundation. Each and all of said officers of the Foundation shall also have the further powers and shall discharge the duties not herein before specifically mentioned which are usually incidental to their respective offices in similar corporations organized under the laws of the State of Wisconsin and such other or further powers and duties as may from time to time be given and granted or required by the Bylaws of the Foundation or by due resolution of its members or Board of Directors.

### **Section 2. LOANS**

No moneys shall be borrowed on behalf of the Foundation and no evidences of such indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

### **Section 3. DEPOSITS**

All funds of the Foundation, not otherwise employed, shall be deposited from time to time to the credit of the Foundation in such banks or other depositories as the Board of Directors may select.

### **Section 4. FINANCIAL REPORTING**

Within 180 days after the conclusion of each fiscal year, the Foundation shall furnish complete and accurate financial statements for the fiscal year to the Board of Directors of Bethesda Lutheran Communities, Inc., and shall promptly supply such additional financial or other information as may be requested from time to time by the Board of Directors of Bethesda Lutheran Communities, Inc.

## **ARTICLE VIII – AMENDMENTS**

These Bylaws may be amended at a regular or special meeting of the Board of Directors by a two-thirds (2/3) vote of the directors present, provided that the Board of Directors of Bethesda Lutheran Communities, Inc. also approve the action by a majority vote.

## **ARTICLE IX – PARLIAMENTARY AUTHORITY**

The rules contained in the current edition of Robert's Rules of Order Newly Revised, shall govern the Board of Directors of Bethesda Lutheran Foundation, Inc., in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Board may adopt.

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