

HOME BUILDERS ASSOCIATION

OF

TENNESSEE, INC.

BYLAWS

AS REVISED June 25, 2014

ARTICLE I-ORGANIZATION

Section 1. Name: The Name of this Association shall be the Home Builders Association of Tennessee, Inc. (hereinafter referred to as the "Association"). The Association may also be identified as "HBAT".

Section 2. Location: The Principal office of this Association shall be located in the Nashville, Tennessee area.

Section 3. Objectives: The Association exists for the purpose of improving conditions in the Building Industry and thereby assisting to improve social, political, and economic welfare of the State.

Section 4. Territorial Jurisdiction: The Association shall operate throughout the entire state of Tennessee.

Section 5. Chartering of Local Associations:

(A) The Association shall accept as an affiliated local association or chapter any organized group of builders in the State of Tennessee working for the same purpose and objectives as this Association provided:

(i) Such association or chapter has been granted affiliation by the National Association of Home Builders.

(ii) That the entire membership of such local association or chapter are members of this Association.

(iii) That the Bylaws of such local Association or chapter do not conflict with the Bylaws of this Association. A copy of each local association or chapter's Bylaws shall be submitted for approval and filing.

(B) This Association may discontinue an Affiliated Local Association's or Chapter's affiliation if said Affiliated Local Association or Chapter fails to meet its financial obligation to this Association.

ARTICLE II-MEMBERSHIP

Section 1. Classifications: The Association shall have the following classes of members. The designation of such classes and the qualifications of the members of such classes shall be as follows:

(A) **Builder Member.** Any individual who is or has been in, or employed by a firm or corporation, in the business of building or rebuilding homes, apartments, schools, commercial, industrial, or other structures normally related and appurtenant to a community, or in land development, and who subscribes to the Code of Ethics of this Association and is of good character and business reputation, shall be eligible to be a Builder Member provided such individual, or the firm or corporation which employs him or her, is in the above described business:

(i) Has been accepted as a Builder Member in good standing of any Affiliated Local Association or Chapter of this Association, the National Association of Home Builders, or

(ii) Operates in an area not within the jurisdiction of any Affiliated Local Association or Chapter and has been accepted as a Builder Member in good standing by the National Association of Home Builders.

Where a firm or corporation has been accepted as a Builder Member of any Affiliated Local Association or Chapter, the employee who is designated by that firm or corporation as its representative for its dealings with the Affiliated Local Association or Chapter shall be eligible for Builder Membership in this Association. If the representative leaves the firm's employ, the firm or corporation may designate another representative for the

balance of the membership year.

(B) *Associate Member.* Any individual who is or has been engaged in or employed by a firm or corporation engaged in a trade, industry, or profession related to home building and not inconsistent with the objectives of this Association or any of its Affiliated Local Associations or Chapters and who subscribes to the Code of Ethics of this Association and is of good character and business reputation, shall be eligible to be an Associate Member provided such individual, or the firm or corporation which employs him or her and is engaged in a trade, industry or profession described above:

(i) Has been accepted as an Associate Member in good standing of any Affiliated Local Association or Chapter of this Association, the National Association of Home Builders, or

(ii) Operates in an area not within the jurisdiction of any Affiliated Local Association or Chapter and has been accepted as an Associate Member in good standing by the National Association of Home Builders. Where a firm or corporation has been accepted as an Associate Member of any Affiliated Local Association or Chapter, the employee whom that firm or corporation designates as its representative for its dealings with the Affiliated Local Association or Chapter shall be eligible for Associate Membership in this Association. If the representative leaves the firm's employ, the firm or corporation may designate another representative for the balance of the membership year.

(C) *Affiliate Member.* Any individual who subscribes to the Code of Ethics of this Association and is an employee of a firm represented by a builder or associate member of the same local association as defined in Article II Section 1 (A) and (B) of these by-laws shall be eligible to be an affiliate member if he/she has been accepted as an affiliate member in good standing by an Affiliated Local Association, Chapter or National Association of Home Builders.

(D) *Special Members.* The Board of Directors of the Association shall be authorized to establish additional classes of membership, which are not inconsistent with these Bylaws, the Bylaws of the National Association of Home Builders or any Affiliated Local Association or Chapter.

Section 2. Acceptance of Members:

(A) Applicants for membership shall sign an application for membership, which shall contain an agreement by the applicant to observe and abide by the Bylaws of this Association. This may be part of an application to an Affiliated Local Association or Chapter.

(B) Applicants for membership approved and accepted by an Affiliated Local Association or Chapter and the National Association of Home Builders upon payment of dues shall become members of this Association.

(C) Applicants for membership approved and accepted by the National Association of Home Builders and operating in an area not within the jurisdiction of an Affiliated Local Association or Chapter upon payment of dues shall become members of this Association.

Section 3. Services and Privileges:

(A) All members in good standing are entitled to full benefits, services, and privileges of the Association, except (1) as provided in Subparagraph (B) of this Section or (2) as specifically set forth elsewhere in these Bylaws.

(B) Special members shall be entitled only to such services and privileges as determined by the Board of Directors not inconsistent with these Bylaws, the Bylaws of the National Association of Home Builders or any Affiliated Local Association or Chapter.

(C) The Board of Directors may from time to time provide that one or more types of specialized and expanded services shall be available to all members in good standing upon payment of a stated fee, provided they also meet other prescribed conditions of eligibility.

Section 4. Termination of Membership: The Executive Vice President may discontinue membership and services of a Member if such Member is delinquent in payment of annual dues for more than sixty days.

Section 5. Dues:

(A) The Membership dues shall be as determined by the Board of Directors. Dues changes shall be considered no more than once per year upon thirty (30) day notification prior to Board consideration.

(B) Dues shall also include those required for corresponding membership in the National Association of Home Builders and the Local Affiliated Association or Chapter (where such association or chapter exists).

ARTICLE III-GOVERNMENT

Section 1. Governing Body: The business and affairs of the Association shall be managed and governed by the Board of Directors, which may exercise all powers of the Association and perform all lawful acts which are not by law, the Charter, or these bylaws directed or required to be exercised or performed by the Members.

Section 2. Board of Directors: The Board of Directors shall be composed of Builder Directors, Alternate Builder Directors, Associate Directors, Alternate Associate Directors, Affiliated Local Association Presidents, Past Association Presidents, Life Directors, the National Director, the National Associate Director, the National Alternate Associate Director and the Executive Committee as described in Article III, Section 8.

Section 3. Builder Directors and Alternate Builder Directors: Each Affiliated Local Association shall have one (1) Builder Director and one (1) Alternate Builder Director of this Association in addition to one (1) Builder Director and one (1) Alternate Builder Director for each fifty (50) Builder Members of this Association. In no event shall an Affiliated Local Association have more than 8 Builder Directors and 8 Alternate Builder Directors of this Association.

Section 4. Associate Directors and Alternate Associate Directors: Each Affiliated Local Association may have one (1) Associate Director and one (1) Alternate Associate Director in addition to one (1) Associate Director and one (1) Alternate Associate Director for each fifty (50) Builder Members of this Association. In no event shall an Affiliated Local Association have more than 8 Associate Directors and 8 Alternate Associate Directors of this Association.

Section 5. Officers: The Officers shall consist of the President, the Vice President/Treasurer, the Vice President/Secretary, the Immediate Past President and the Associate Vice President. All Officers of the Association shall exercise such powers and perform such duties as may be provided in these Bylaws or as shall from time to time be determined by resolution of the Board of Directors not inconsistent with these Bylaws. The powers and duties of each Officer shall be as follows:

(A) *The President.* The President shall preside at the Annual Meeting of the Members and act as Chairman of the Board of Directors, and the Executive Committee. The President shall exercise general supervision over the work and activities of the Association and its other officers and agents; shall see that all orders and resolutions of the Board of Directors are carried into effect; and shall perform all other duties incident to the office of President. The President shall have the power to appoint committees in accordance with the provisions of Article III, Section 11 (A). The President shall serve as an Ex Officio member of all committees and councils. The President shall also serve as the National Director of the National Association of Home Builders or, appoint the National Director, at his/her discretion, if he/she is currently a Life Director of the National Association.

(B) *The Vice President/Treasurer.* In the event of the temporary absence or incapacity of the President,

the Vice President/Treasurer shall perform the duties and exercise the powers of the President. The Vice President/Treasurer shall submit to the Board of Directors, at its annual meeting, a proposed Budget for the next fiscal year and render to the Executive Committee and Board of Directors an accounting of all Association financial transactions and authenticate records of the corporation.

The Vice President/Treasurer shall act as chairman of the Budget and Finance Committee and have a competent CPA firm make an annual review, or audit, as determined by the Executive Committee, of the Association's finances and file the required tax returns. The Vice President/Treasurer shall generally assist the President and shall perform such other duties and assume such responsibilities as may from time to time be described by the President or the Board of Directors. The Vice President/Treasurer shall also serve as the Alternate National Director of the National Association of Home Builders.

(C) *The Vice President/Secretary.* The Vice President/Secretary shall attend meetings of the Members of the Association, the Board of Directors, and the Executive Committee, and keep a permanent record of all votes and the proceedings of these meetings.

The Vice President/Secretary shall perform such other duties as may from time to time be prescribed by the President or the Executive Committee.

(D) *The Associate Vice President.* The Associate Vice President shall represent Associate Members before the Board of Directors and the Executive Committee, and shall act as Chairman of the Associates Council.

Section 6. National Offices: There shall be a State Representative and Area 7 Chairman of the National Association of Home Builders who shall assume such responsibilities and perform such duties as provided in the National Association of Home Builders Bylaws. The Area 7 Chairman is a two year term representing the states of Tennessee and Alabama. Selection of the Area 7 Chairman alternates between the states of Alabama and Tennessee every other term.

Section 7. Appointed Officers: The Executive Committee shall have the power to appoint an Executive Vice President, under such contract, for such term, with such compensation, and with such powers and duties as the Executive Committee may deem to be in the best interests of the Association. The Executive Committee may also create such other positions as it deems necessary to conduct the business and activities of the Association. Such other positions shall be supervised by the Executive Vice President. None of the Appointed Officers need be a member of the Association.

Section 8. Executive Committee:

(A) The voting members of the Executive Committee shall be composed of the Officers, the Immediate Past President, the State Representative, HBAT Area Vice Presidents, the Associate National Director, Chairman of the HBAT Self-Insured Trust, and all Standing Committee and Council Chairmen of the Association. The Executive Vice President shall be an ex-officio member of the Executive Committee without voting privileges. Non-voting members of the Executive Committee shall consist of the NAHB Area 7 Chairman and all other Committee Chairs.

(B) The Executive Committee, between the meetings of the Board of Directors, shall have and shall exercise the authority of the Board of Directors in the management of the Association; EXCEPT that it shall not have the authority of amending or restating the Charter or Bylaws; adopting a plan or merger or adopting a plan of consolidation with another organization; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore, adopting a plan for the distribution of the assets of the Association; or amending altering, or repealing any resolution of the Board of Directors, except on the finding of an emergency requiring such action. The Executive Committee is accountable to the Board of Directors and as such, shall keep a record of its proceedings, which shall be reported to the Board of Directors at the earliest subsequent meeting of the Board at which a report is practicable.

Section 10. Standing Committees:

(A) *Nominating Committee.* There shall be a Nominating Committee composed of the Past President's Committee. The Nominating Committee's responsibility shall be to nominate candidate(s) for the NAHB Area 7 Chairman, NAHB State Representative, Vice President/Secretary, the 4 HBAT Area Vice Presidents, the National Associate and National Alternate Associate Directors.

(B) *Budget and Finance Committee.* There shall be a Budget and Finance Committee composed of at least the Officers and any other members the President may so choose. The Budget and Finance Committee shall be responsible for recommendations to the Board of Directors and Executive Committee on matters relating to the finances and budget of the Association.

(C) *Governmental Affairs Committee.* There shall be a Governmental Affairs Committee composed of at least one member from each Affiliated Local Association. The Governmental Affairs Committee shall have jurisdiction over all political, legislative, and regulatory matters affecting state government.

(D) *Membership Committee.* There shall be a Membership Committee composed of at least one member from each Affiliated Local Association. The Membership Committee shall be responsible for recommendations to the Board of Directors and Executive Committee on matters relating to membership development and retention.

Section 9. Associates Council: There shall be an Associates Council whose composition and manner of appointment and/or election shall be governed by the Associates Council Bylaws. The Associates Council shall choose from among its membership a candidate for Associate Vice President, which shall be elected by the Association's Board of Directors at its Annual Meeting. The Associates Council shall also appoint HBAT representatives to the National Association of Home Builders Associates Advisory Committee.

Section 11. Other Committees:

(A) *Presidential Committees.* The President shall be authorized to establish and appoint such committees as the President deems advisable. All committees established and appointed by the President shall be advisory in nature, unless otherwise specifically empowered by the Board of Directors or these Bylaws. Members of such committees shall be Members of the Association but shall not be required to be Directors, and may, at the President's discretion, include members of the professional staff, or other employees of the Association and/or Affiliated Local Associations. All such committees shall report to the President, the Executive Committee and the Board of Directors when required.

(B) *Board of Directors' Committees and Councils.* The Board of Directors may, by resolutions adopted by a majority of the Directors at a meeting which a quorum is present, establish and appoint such other committee, council or committees, or councils as it shall deem advisable, and may delegate to such committee or council such authority as the Board of Directors shall prescribe; provided, however, that all committees or councils shall be advisory in nature unless otherwise specifically empowered by the Board of Directors. Each such committee or council shall be composed of Members of the Association; provided, however, that the voting members of any committee or council which is empowered by the Board of Directors to act on its behalf shall be Directors. The designation and appointment of any committee or council and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law. All committees and councils shall report to the Board of Directors when required.

Section 12. HBAT Area Vice Presidents: There shall be 4 HBAT Area Vice Presidents representing Northeast Tennessee, Southeast Tennessee, Middle Tennessee and West Tennessee and shall assume such responsibilities and perform such duties as provided in the Job Description as determined by the Past Presidents within the guidelines of

these bylaws.

ARTICLE IV-MEETINGS

Section 1. Membership Meetings:

- (A) The annual meeting of the membership shall be held at a time and place designated by the Executive Committee to conduct such business as may be required by law, the Association's Charter or these Bylaws.
- (B) Special meetings of the Members for any purpose or purposes may be called by the President, by the Board of Directors, or on the written request of Ten percent (10%) of the Builder Members. In the event that ten percent (10%) of the Builder Members request a special meeting, notice of such special meeting shall be sent to the Members within thirty (30) days following the receipt of a written request therefore. Such meetings shall be held within sixty days following the receipt of request.

Section 2. Board of Directors Meetings:

- (A) An Annual Meeting of the Board of Directors shall be held in the fall of each year. At such meeting, the Board of Directors shall elect the Vice President/Secretary and transact such other business as may properly be brought before the meeting.
- (B) In addition to the Annual Meeting of the Board of Directors, the Board of Directors shall hold two other meetings, one in the winter or spring and one in the spring or summer of each year at such time and place as they may agree.
- (C) Special meetings of the Board of Directors may be called by the President or on the written request of one-third of the number of the Directors then serving. In the event that one-third of the Directors request a special meeting, notice of such special meeting, and the date and place thereof, shall be sent to the Directors within fifteen working days following the receipt of a written request therefore.

Section 3. Executive Committee Meetings: The Executive Committee shall meet to review the activities of the Association and to transact such business as may properly be brought before the meeting. Special meetings of the Executive Committee may be called by the President or on the written request of five (5) members of the Executive Committee. In the event that five (5) members of the Executive Committee request a special meeting, notice of such special meeting, and the date and place thereof, shall be sent within fifteen (15) working days following the receipt of the written request therefore.

Section 4. Consent of Action: Any action required or permitted to be taken at any meeting of the Executive Committee or of any committee or council may be taken without a meeting if all of the members of the Executive Committee, committee, or council as the case may be, consent thereto in writing. Such written consents shall be filed with the minutes of the proceedings of Executive Committee, committee, or council as the case may be.

Section 5. Meeting Notices:

- (A) *Membership Meetings:* Written notice of the date, time and place of the Annual Meeting or any special meeting of the Members of the Association shall be mailed to the Members at least thirty (30) days, and no more than ninety (90) days in advance of such meeting.
- (B) *Board of Directors.* Written notice of the date, time and place of any regular or special meeting of the Board of Directors shall be mailed or faxed to the Directors at least thirty (30) days, and no more than ninety (90) days in advance of such meeting.

- (C) *Executive Committee Meetings.* Written notice of the date, time and place of any regular or special meeting of the Executive Committee shall be mailed or Faxed to the members of the Executive Committee at least fifteen (15) days, and no more than thirty (30) days in advance of such meeting.

Section 6. Rules: Robert's Rules of Order as revised, shall be the parliamentary authority of this Association in all cases and instances.

Section 7. Quorum:

(A) *Membership Meetings.* A quorum of the Members for the transaction of business shall consist of 10 percent (10%) of Builder Members in good standing, after due notice of a meeting has been given to all members of record. Except as otherwise provided by law, these Bylaws, or by the Association's Charter, any action to be taken by a vote of the Members shall be authorized by the affirmative vote of not less than a majority of the votes entitled to be cast by the Members present.

(B) *Board of Directors Meetings.* A quorum of the Board of Directors for the transaction of business shall consist of the majority of the Directors present provided the majority of which shall be Builder Members, and the vote of a majority of the directors present at a meeting shall be the act of the Board of Directors.

(C) *Executive Committee/Committees/Councils.* A quorum of the Executive Committee or any other duly authorized committee or council for the transaction of business shall be a majority of its members, and the vote of a majority of the members present at a meeting at which a quorum is present shall be the act of the Executive Committee, Committee, or Council.

Section 8. Voting:

(A) *Membership Meetings.* In any meeting of the Members of the Association, only Builder Members in good standing shall be entitled to vote for any purpose whatsoever.

(B) *Board of Director Meetings.* In any meeting of the Board of Directors the Builder Directors, Associate Directors, Affiliated Local Association Presidents, Past Association Presidents, Life Directors and the voting members of the Executive Committee shall be entitled to vote. Alternate Builder Directors shall be entitled to vote only if a Builder Director from the same Affiliated Local Association is not present. Also, Associate Alternate Directors shall be entitled to vote only if an Associate Director from the same Affiliated Local Association is not present. A person may vote absentee if due to hospitalization, illness or physical disability.

(C) *Executive Committee/Committee/Council Meetings.* In any meeting of the Executive Committee or other duly authorized committee or council, all such committee members are entitled to vote unless as otherwise prohibited in these Bylaws.

ARTICLE V-ELECTIONS AND VACANCIES

Section 1. Builder Directors, Alternate Builder Directors, Associate Directors and Alternate Associate Directors:

(A) *Election.* Each Local Affiliated Association shall choose Builder Directors, Alternate Builder Directors, Associate Directors and Alternate Associate Directors to succeed those whose terms are expiring.

(B) *Term of Office.* Builder Directors, Alternate Builder Directors, Associate Directors, and Alternate Associate Directors shall be elected to a term of one (1) year.

(C) *Eligibility.* Builder Directors and Alternate Builder Directors must be Builder Members, and Associate Directors and Alternate Associate Directors must be Associate Members.

(D) *Vacancies.*

(i) A Builder Director's, Alternate Builder Director's, Associate Director's, and/or Alternate Associate Director's position shall be considered vacant upon death, resignation, refusal to serve, or termination of membership.

(ii) Such vacancies may be filled by the Affiliated Local Association and the Builder Director, Alternate Builder Director, Associate Director and/or Alternate Associate Director so chosen shall serve the un-expired term of the predecessor.

Section 2. Life Directors: The Board of Directors may elect Life Directors of the Association provided they are so recommended by the Affiliated Local Association of which he or she is a member; and provided they shall have attended two (2) or more meetings of the Board of Directors as a Director in each year for ten out of 14 years. A Life Director shall retain voting privileges provided he or she remains in good standing and attends 1 or more meetings of the Board of Directors each year after selection as a Life Director.

(A) Nominees as Life Director may have credit for two (2) years service as an alternate director provided they attended the required number of board meetings during such service.

Section 3. Officers:

(A) *Election.* At the Annual Meeting of the Board of Directors, the Board shall elect by written ballot by a majority of the Board of Directors present the Vice President/Secretary. At the conclusion of his or her term as President, the President shall automatically succeed to the office of Immediate Past President. The Immediate Past President will then become a Past President with the attendant privileges and responsibilities. At the conclusion of their respective offices the Vice President/Treasurer shall automatically succeed to the office of President and the Vice President/Secretary shall automatically succeed to the office of Vice President/Treasurer.

(B) *Term of Office.* Each Officer shall serve a term of one year, but may, in addition, serve the uncompleted term of another Officer who died, resigned, or became unable to continue.

(C) *Eligibility.* Each Officer with the exception of the Associate Vice President shall be a Builder Member and at the time of election or succession, currently be serving as a member of the Board of Directors.

(D) *Nominations.* The Nominating Committee shall submit a written report of certified nominations to the Board of Directors at its Annual Meeting.

(E) *Rotation.* Candidates running for office of HBAT Vice President/Secretary must meet the following requirements in order to be eligible to run for office:

- (i) Candidate must have served as a local HBA or Chapter President
- (ii) Candidate must have served as an *ACTIVE* member of the HBAT Government Affairs Committee and participated in lobbying efforts on behalf of the HBAT
- (iii) Candidate must have served on one HBAT committee (other than Government Affairs)
- (iv) Candidate must not have missed more than one HBAT Board of Directors Meeting in the previous two years without a justifiable reason as determined by the Nominating Committee.
- (v) The candidates will rotate from the three recognized Grand Divisions
- (vi) If no candidate from a region is available, rotation will continue to the next scheduled Grand Division
- (vii) Any candidate that does not satisfy the criteria set forth herein shall not be considered a certified candidate for office and is not eligible to stand for election

(F) *Removal.* Any Officer may be removed for cause by two-thirds (2/3) vote of the Board of Directors provided a quorum is present. Cause shall be: an absence from two (2) consecutive meetings of the Board of Directors or two consecutive Executive Committee meetings during a single administrative year; final conviction of a felony; declaration of an unsound mind by court order; and/or conduct prejudicial to the interests of the Association.

(G) *Vacancies.* A vacancy in the office of Vice President/Secretary because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the un-expired portion of the term; and a vacancy in the office of President because of death, resignation, removal, disqualification, or otherwise may be filled by the Vice President/Treasurer; and a vacancy in the office of Vice President/Treasurer because of death, resignation, removal, disqualification, or otherwise may be filled by the Vice President/Secretary. A vacancy in the office of Associate Vice President because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the un-expired portion of the term with the advice and consent of the Associates Council.

Section 4. National Offices:

(A) *Election.* Upon expiration of the State Representative's, the Area 7 Vice President's, the National Associate Director's and the National Alternate Associate Director's terms of office, the Board of Directors, at the appropriate Annual Board Meeting, shall elect the State Representative, the Area 7 Vice President, the National Associate Director, and the National Alternate Associate Director.

(B) *Term of Office.* The State Representative, the National Associate Director and the National Alternate Associate Director shall serve a term of two (2) years. The Area 7 Vice President shall serve a term of two (2) years, alternating every other term with the State of Alabama.

(C) *Eligibility.* The State Representative and the Area 7 Vice President shall be a Builder Member and at the time of election currently be serving as a member of the Board of Directors. The National Associate Director and the National Alternate Associate Director shall be Associate Members.

(D) *Nominations.* Every two (2) years at the completion of the State Representative's, the National Associate Director's and the National Alternate Associate Director's terms of office, and the alternating term of the Area 7 Vice President, the Nominating Committee shall submit a written report of nominations to the Board of Directors at its Annual Meeting. Independent nominations for State Representative, Area 7 Vice President, National Associate Director, and/or National Alternate Associate Director may be submitted in writing, signed by three (3) or more Members of the Board each representing a different Local Affiliated Association, to the Nominating Committee Chairman at any time prior to the calling of the vote for the election of these offices.

(E) *Removal.* The State Representative, the Tennessee Area 7 Vice President, the National Associate Director, and/or the National Alternate Associate Director may be removed for cause by a two-thirds (2/3) vote of the Board of Directors provided a quorum is present. Cause shall be final conviction of a felony, declaration of an unsound mind by court order, and/or conduct prejudicial to the interests of the Association.

(F) *Vacancies.* A vacancy in the office of State Representative, the Tennessee Area 7 Vice President, National Associate Director, and/or National Alternate Associate Director because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the un-expired portion of the term.

ARTICLE VI-GENERAL PROVISIONS

Section 1. Indemnification of Officers and Directors: The Board of Directors and Officers of the Association shall be held forever harmless and protected from loss by this Association for any and all acts and deeds in good faith performed

by them, and the moneys and effects of the Association shall be, and hereby are, appropriated to protect them or either of them from all costs, charges, expenses, losses or appropriations that occur, or which they or either of them contract in the discharge of their official duties, and no member of the Board of Directors or Officer shall be held responsible for the neglect or omission of duty of any other member of the Board of Directors or Officer of the Association.

Section 2. Liability of Members: The members shall not be personally liable for the debts, liabilities, or obligations of the Association.

Section 3. Contracts: The President or the Executive Vice President may enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association provided such contract or instrument has been approved by the Board of Directors or Executive Committee.

Section 4. Approved Budget: The Board of Directors, at its annual meeting, shall adopt an annual budget for the fiscal year. The Association shall function within the totals of such budget. Any motion requiring the expenditures of funds in excess of the approved budget shall be referred to the Executive Committee for recommendation prior to submission to the Board of Directors.

Section 5. Representation of the Association:

(A) No Member or council or committee or member thereof shall assume to represent the Association before any legislative body, in any court, or before any other tribunal, unless authorized by the President, Executive Vice President, or by the Executive Committee.

(B) No report, recommendation, or any other action of any council or committee shall be considered as the action of the Association unless and until it shall have been approved by the Board of Directors or the Executive Committee.

Section 6. Books and Records: The Association shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its Members, Board of Directors, Executive Committee and any other committees having any authority of the Board of Directors and shall keep at the principal office a record of the names and addresses of the Members entitled to vote.

Section 7. Tax Exempt Status:

(A) The Association is organized as a nonprofit Corporation under the laws of the State of Tennessee and is intended to operate as a tax-exempt business league pursuant to Section 501 (c) (6) of the Internal Revenue Code of 1954 as amended. No part of the net earnings of the Association shall inure to the benefit of any Member or individual.

(B) In the event of dissolution of the Association, the assets of the Association shall, after appropriate provision for debts and liabilities of the Association, be distributed in any liquidation proceeding to a corporation, trust, or association which is not organized for profit and is exempt from federal income taxation under the Internal Revenue laws applicable at the time of such dissolution.

ARTICLE VII-AMENDMENT

Section 1: These Bylaws may be amended or repealed by a two thirds (2/3) vote of the Board of Directors provided a quorum is present at any Board meeting duly called, notice of such proposed changes having been sent in writing to all Board Members thirty (30) days prior to the date of such meeting.