

**AMENDED AND RESTATED BYLAWS  
OF THE  
LORRAINE CIVIL RIGHTS MUSEUM FOUNDATION  
D.B.A. NATIONAL CIVIL RIGHTS MUSEUM  
Effective as of February 18, 2016**

**Article I: Mission & Purpose**

**Section 1:** The National Civil Rights Museum, located at the Lorraine Motel, the assassination site of Dr. Martin Luther King, Jr., chronicles key episodes of the American civil rights movement and the legacy of this movement to inspire participation in civil and human rights efforts globally, through our collections, exhibitions, and educational programs.

**Section 2:** The name of the Corporation shall be: The Lorraine Civil Rights Museum Foundation, doing business as: The National Civil Rights Museum, sometimes for convenience hereinafter referred to as “NCRM.” The Corporation is a not-for-profit corporation organized and existing under the laws of the State of Tennessee. The principal corporate office shall be 450 Mulberry Street, Memphis, Tennessee, until and unless otherwise designated by the Board of Directors.

**Article II: Board of Directors**

**Powers of the Board**

**Section 1.** All corporate powers shall be exercised by the Board of Directors. All of the business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors, subject to the applicable laws of the State of Tennessee, the Articles of Incorporation and these By-Laws, the Memorandum of Understanding between the Corporation and the State of Tennessee, as well as in accordance with the policies, principles and mission of the Museum. The Board of Directors shall have full authority to carry out the functions of Directors to the fullest extent authorized by the Tennessee Not-Profit Corporation Act, as it may exist from time to time.

**Number, Tenure and Qualifications**

**Section 2.** The Board of Directors shall consist of not less than 10, nor more than thirty-five (35) individuals. Directors need not be residents of the State of Tennessee. Initial Directors may be named in the Charter or, if not, may be elected by the Corporation. Thereafter, Directors shall be elected at the first annual meeting of the Board of Directors and at each subsequent annual meeting, and the terms of the initial Directors of the Corporation shall expire at the first meeting of the Board of Directors at which Directors are elected. The terms of all Directors shall expire on a staggered, rotating basis at either the first, second or third annual meeting of the Board of Directors following their election. Notwithstanding the expiration of a Director's term, he/she shall continue to serve until the successor is elected and qualified or until there is a decrease in the number of Directors. No Director shall be elected to

serve for more than two consecutive terms as a Director of the Corporation, but may be re-elected to the Board for additional terms after a lapse in service of at least one year (1 year). The Board of Directors may waive the required lapse by an affirmative vote of a two-thirds (2/3) majority of those in attendance at a Board meeting duly convened. If so waived, the re-elected Director may thereafter serve additional terms as if originally elected without first complying with the required one (1) year lapse in service.

Each Director shall serve a term of three (3) consecutive years, except as provided hereafter in these Articles. For the purpose of staggering their terms of office, the Directors shall be divided into three (3) classes, as nearly equal in numbers as may be reasonable as determined by the Board.

Each Director of the Corporation, in order to remain in good standing, must attend or have an excused absence for a minimum of seventy-five percent (75%) of all regular meetings unless any unexcused absences are approved by a majority of the Board of Directors or the Executive Committee. An absence shall be considered excused if a Director provides an acceptable excuse to the Board of Directors prior to a scheduled meeting or if such absence is deemed excused pursuant to Board of Directors policy or procedures as provided herein. A Director participating in a meeting via telephone or video conference, pursuant to the provisions of Section 6 and 7 herein, is deemed to be in attendance at a Board of Directors meeting, although personal attendance is strongly encouraged and participation via telephone or video conference should be the exception rather than the rule.

A Director may resign at any time by delivering written notice to the Board of Directors, its Chair or to the President of the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

Subject to Article II, Section 2 of these By-Laws, the Board of Directors may increase or decrease the number of Directors to be elected at the next annual meeting by the affirmative vote of a majority of Directors in attendance at a Board meeting which is duly called and the notice of which states that one of the purposes is a proposed increase or decrease in the number of Directors to be elected at the meeting noticed.

### **Removal of Directors**

**Section 3.** The Board of Directors may remove one (1) or more Directors with cause. The Board may remove a Director for cause, as hereinbelow defined, by the vote of a majority of the Directors then in office. Failure of any Director to meet the attendance requirements set forth in Article II, Section 2 shall be cause for immediate removal as a Director absent a showing of good cause why he or she should not be so removed. A Director removed for failure to meet attendance requirements shall be given written notice of his or her removal and thereafter shall have a period of fourteen (14) calendar days following the date of such notice to show good cause why he or she should be reinstated as a Director. Such request shall be in writing and delivered timely to the President of the Museum and Chair of the Board of Directors. Thereafter, the request shall be determined by the Executive Committee of the Board whose decision shall be final. The Director so removed shall be informed of the decision, as will the President and Chair of the Board.

For purposes of this Section 3, cause shall mean any conduct by a Director that in the sole opinion of the Board, by way of illustration and not limitation, is inconsistent with the mission of the Corporation or fails to meet the standards of conduct expected of a Director, or if a Director fails in any way in his or her attention to a Director's responsibility to the Corporation, or whose conduct is otherwise in any way inconsistent with a Director's duty to support Board decisions, duty of care, duty of loyalty, or duty of compliance with the Corporation's central purpose or its By-Laws. It is intended that this definition of cause be construed as broadly as lawfully permitted to assure that the interests, public image and mission of the Museum are impeccably sustained and that harmony among and between the Board Members, the Corporation Officers, Museum staff and public is preserved.

The foregoing is in addition to and supplements those standards set forth in T.C.A. § 48-58-301 as it may be amended from time to time, and incorporated herein by reference.

Other than as is set forth hereinabove for failure to meet the attendance requirements of Directors, any Board action to remove a Director, shall not be valid unless each Director, including the Director whose removal is to be considered, is given at least fourteen (14) days written notice that the removal of a Director will be voted upon at a Directors' meeting, one of the purposes of which is such vote. Provided, however, such notice may be waived pursuant to the provisions of Section 11 below. The notice requirements contained in this Article II, Section 3 herein apply only to a meeting of the Board at which the removal of a Director will be considered for a vote. A Director whose removal is to be considered may request an opportunity to be heard at the Directors' meeting where his or her removal is to be considered. Such request shall be in writing and delivered to the President of the Museum no less than three (3) days before such meeting, and shall be granted or denied by the Board Executive Committee in its sole discretion. Such determination shall be final. If granted, such hearing shall be limited in accordance with the process, procedure and time established by the Executive Committee with the advice and consent of the Board.

## **Vacancies**

**Section 4.** Any vacancy occurring in the Board of Directors by death, resignation, removal or by reason of an increase in the number of Directors, may be filled by the affirmative vote of a majority of the remaining Directors then in office. If the remaining Directors constitute fewer than a quorum of the Board of Directors, such remaining Directors may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office. A Director elected to fill a vacancy shall be elected to fill the unexpired term of his predecessor in office. A Director elected by reason of an increase in the number of Directors shall be elected to a term of office designed to maintain as equal as possible, the classes of office for staggering of office purposes. A vacancy in the Board may also be declared by the Board, on the vote of a majority of Directors then in office in the event a Director is unable to serve by reason of a prolonged illness of at least six consecutive months or a disability which renders a Director unable to fulfill his or her duties and responsibilities as a Director. This shall be determined by the Executive Committee on a case-by-case basis, subject to Board approval.

A vacancy created by a resignation that will occur at a specific later date may be filled before the vacancy occurs but the new Director may not take office until the vacancy occurs.

## **Annual Meeting of the Board of Directors**

**Section 5.** The annual meeting of the Board of Directors shall be held in or out of the State of Tennessee on the 3<sup>rd</sup> Thursday of April, unless such date is a legal holiday, in which case the meeting shall be held on the next following day, of each and every year.

## **Regular Meetings of the Board of Directors**

**Section 6.** Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time determine. The Board of Directors shall permit any or all Directors to participate in a regular meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting.

## **Special Meetings of the Board of Directors**

**Section 7.** The Board of Directors may hold special meetings in or out of the State of Tennessee, and the Chair or any four (4) Directors may call such meetings. The Board of Directors shall permit any or all Directors to participate in a special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating can simultaneously hear each other during the meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting.

## **Notice of Meetings**

**Section 8.** Regular meetings of the Board of Directors shall not be held without notice. Such notice shall be given to each Director at least five (5) days before the date of the meeting, and shall be given by such means as set forth hereinbelow. Special meetings of the Board of Directors shall be preceded by at least 7 days notice to each Director of the purpose, date, time and place of the meeting. Any Board action to remove a Director, or to approve a matter which would require approval by members if the Corporation had members (as provided in Section 48-58-203 of the Tennessee Nonprofit Corporation Act), shall not be valid unless each Director is given at least 14 days written notice that such matter will be voted upon at a Directors' meeting or unless notice is waived pursuant to the provisions of Section 11 below. Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment. Notice shall be in writing, except that oral notice shall be effective if it is reasonable under the circumstances, and shall be communicated in person, by telephone, telegram, teletype, or other form of wire or wireless communication, or by mail or private carrier. If these forms of personal notice are impracticable, notice shall be communicated by a newspaper of general circulation in the area where published, or by radio, television, or other form of public broadcast communication. Written notice, if in a comprehensible form shall be effective at the earliest of (i) when received; (ii) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed thereon; (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or (iv) twenty (20) days after its deposit in the United States

mail, as evidenced by the postmark if mailed correctly addressed, and with other than first class, registered, or certified postage affixed. Oral notice shall be effective when communicated if communicated in a comprehensible manner. If any other Section of these By-Laws prescribe notice requirements for particular circumstances, those requirements govern. It is the individual responsibility of each Director to assure that his or her contact information is current. The Corporation shall have the right to rely on the most recent contact information supplied by each Director.

### **Action Without Meeting**

**Section 9.** Action required or permitted to be taken by the laws of the State of Tennessee at a Board of Directors meeting may be taken without a meeting, if all the Directors consent to taking such action without a meeting. The affirmative vote of the number of Directors that would be necessary to authorize or to take such action at a meeting shall be the act of the Board. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director in one (1) or more counterparts, indicating each signing Director's vote or abstention on the action, and which shall be included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this section shall be effective when the last Director signs the consent, unless the consent specifies a different effective date. A consent signed under this Section shall have the effect of a meeting vote and may be described as such in any document.

### **Waiver of Notice**

**Section 10.** A Director may waive any notice required by these By-Laws, the Charter, or by any provision of the law of the State of Tennessee, before or after the date and the time stated in the notice. The waiver must be in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records. In addition, a Director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the Director at the beginning of the meeting (or promptly upon his/her arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

### **Quorum and Voting**

**Section 11.** Except as otherwise provided by the laws of the State of Tennessee, the Charter or these By-Laws, a quorum of a Board of Directors consists of a majority of the Directors in office immediately before a meeting begins; provided, however, that when a quorum as set forth herein is once present to organize a meeting, the subsequent withdrawal of any of those present shall not defeat the quorum so long as no fewer than one third (1/3) of the number of Directors in office remain present at such meeting. When a quorum is once present to organize a meeting, a meeting may be later adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present to fewer than one-third (1/3) of the number of Directors in office. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board unless the laws of the State of Tennessee, the Charter or By-Laws require the vote of a greater number of Directors. A Director who is present at a meeting of the Board of Directors when corporate action is taken shall be deemed to have assented to the action taken unless: (i) he/she objects at the beginning

of the meeting (or promptly upon his/her arrival) to holding it or transacting business at the meeting; (ii) his/her dissent or abstention from the action taken is entered in the minutes of the meeting; or (iii) he/she delivers written notice of his/her dissent or abstention to the presiding Officer of the meeting before its adjournment, or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention shall not be available to a Director who votes in favor of the action taken.

### **Place of Meeting**

**Section 12.** The Board of Directors may designate any place, either within or without the State of Tennessee, as the place of meeting for any regular or special meeting. If the Board does not designate a place of meeting, the place of meeting shall be the principal office of the Corporation in the State of Tennessee.

### **Rules of Procedure**

**Section 13.** Absent a provision contained within these bylaws, the rules and procedures of the organization shall be Robert's Rules of Order.

### **Officers of the Board of Directors**

**Section 14.** The general officers of the Board of Directors shall be a Chair of the Board, a Chair of the Executive Committee, a Vice Chair, Treasurer and Secretary. Each officer must be a member of the Board of Directors. Each such general officer of the Board shall serve a term of three (3) years. No officer shall be elected to serve for more than two (2) consecutive terms of three (3) years each as an officer of the Corporation, but may be re-elected as an officer after a lapse of service of at least one year. The Board of Directors may waive the required lapse by an affirmative vote of a two-thirds (2/3) majority of those in attendance at a duly convened Board meeting. If so waived, the re-elected officer may thereafter serve one additional term of three (3) consecutive years without first complying with the required one (1) year lapse in service. Thereafter, the required one year lapse in service shall apply unless further waived as set forth just above in this Section 15. The Board may remove any Officer at any time with or without cause, and any Officer or Assistant Officer, if appointed by another Officer, may likewise be removed by such Officer with or without cause. The election of any Officer does not itself create contract rights, and an Officer's removal shall not affect the Officer's pre-existing contract rights, if any, with the Corporation. An Officer's resignation shall not affect the Corporation's pre-existing contract rights, if any, with the Officer.

### **Duties of the Chair of the Board**

**Section 15.** The Chair of the Board shall preside at all meetings of the Board of Directors, manifest an interest in the general operations of the corporation and perform duties customarily assigned to the Chairman. He/she shall be a member of the Executive Committee and serve as an ex-officio member of all committees of the Board.

### **Duties of the Vice Chair**

**Section 16.** The Vice Chair shall in any absence or incapacity of the Chair of the Board or the Chair of the Executive Committee of the Board, perform the duties of that office and shall also perform those other duties prescribed by the Board of Directors.

### **Duties of the Treasurer**

**Section 17.** The Treasurer shall be responsible for the care and custody of all the funds and securities of the Corporation and deposit the same in the name of the Corporation in such bank or banks as the Directors may elect; he/she shall have the authority delegated to him/her by the Board of Directors to sign checks, drafts, notes and orders for payment of money.

### **Duties of the Secretary**

**Section 18.** The Secretary shall be responsible to keep the minutes of the meetings of the Board of Directors; he/she shall authenticate records of the Corporation; he/she shall attend to the giving and serving of all notices of the Corporation as required by him/her; he /she shall have charge of the minute book and such other records of the Corporation as the Board may direct; he/she shall attend to such correspondence as may be assigned to him/her and perform all duties incidental to his/her office. The Secretary shall not also serve as the President of the Corporation.

### **Article III: Committees**

**Section 1.** In addition to the named committees created by these By-Laws, the Board of Directors may create one (1) or more committees standing or ad hoc, as set forth herein, to serve at the pleasure of the Board. A committee may consist of three (3) or more natural persons. Each committee shall have such powers and duties as the Board may from time to time designate. Members of committees may be members of the Board of Directors or other natural persons, and they shall serve at the pleasure of the Board of Directors. The Chair of any standing committee must be a member of the Board of Directors. The creation of a committee and appointment of members to it shall be recommended by the Chair and must be approved by the greater of: (1) a majority of the Directors in office when the action is taken; or (2) a majority of the Directors present at a meeting at which a quorum is present. To the extent expressly specified by the Board of Directors, the Charter or in these By-Laws, each committee of the Board may exercise the Board's authority as specified and as is consistent with the applicable laws of the State of Tennessee. However, a committee may not (1) authorize distributions; (2) approve or recommend to the Board of Directors dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets; (3) elect, appoint or remove Directors or fill vacancies on the Board or on any of its committees; or (4) adopt, amend or repeal the Charter or By-Laws. Further, no committee may approve any transaction wherein there reasonably may be a conflict of interest with an Officer or Director of the Corporation, unless such committee consists entirely of disinterested members of the Board of Directors. The provisions of the Tennessee Nonprofit Corporation Act, as now in effect or hereafter amended, the Charter, and these By-Laws, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors, shall apply to committees and their members as well.

All Board members are encouraged to serve on at least one standing or ad-hoc committee.

## **Executive Committee**

**Section 2.** The Executive Committee is authorized to exercise in all cases during the intervals between meetings of the Board of Directors, all powers of the Board of Directors in matters where special directions have not been given by the Board of Directors. The Executive Committee shall consist of not less than seven (7) individuals including the Chair of the Executive Committee, the Chair of the Board, and the Vice Chair of the Board, the Treasurer, and the Secretary. The remainder of the Executive Committee (the “appointed members”) shall be members of the Board of Directors. In the event that one of the officers appointed to the Executive Committee is serving in two officer capacities, one of such positions on the Executive Committee shall be filled by a member of the Board of Directors, as appointed herein. The appointed members of the Executive Committee shall be nominated by the Chair of the Board and approved by the Board of Directors. The appointed members of the Executive Committee shall serve an initial term of three consecutive years, subject to appointment to a succeeding term of three consecutive years at the sole discretion of the Board of Directors. No appointed member of the Executive Committee shall be elected to serve for more than two consecutive terms as a member of the Executive Committee, but may be re-elected to the Executive Committee for additional terms after a lapse in service of at least one year (1 year). Such lapse in service may be waived for succeeding one-year periods upon an affirmative vote of a two-thirds (2/3) majority of those in attendance at a duly convened Board meeting. The President shall serve as an ex-officio, non-voting member of the Executive Committee and may be excused from attendance by the Chair of the Executive Committee. Notwithstanding anything herein to the contrary, members of the Executive Committee shall serve at the pleasure of the Board of Directors. Appointment of members to the Executive Committee and provisions governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Executive Committee and its members shall be as set forth in the applicable provisions of Article III, Section 1 of these By-Laws with respect to committees generally. Notwithstanding anything to the contrary in these By-Laws, the Executive Committee may exercise the Board's authority in full with regard to day-to-day management of the Corporation in accordance with the laws of the State of Tennessee including the provisions of the Tennessee Nonprofit Corporation Act, as now in effect or hereafter amended. This shall include the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and to approve the fees and other retention terms and conditions related to any such external counsel, consultants and advisors.

The Executive Committee shall carry on Museum business between Board meetings and, subject to the limitations set forth under Committees of Directors hereof, shall have all the authority of the Board except that the Executive Committee shall have no power to rescind, or make substantive changes to any action previously taken by the Board. The Executive Committee shall also assist the Board in recommending and implementing the basic objectives of the National Civil Rights Museum; review with the President the effectiveness of Museum programs and initiatives against policies and projected needs and goals; review the performance of the President; review monthly financial reports presented by the President and Finance Director; and exercise oversight in matters related to personnel and personnel policies.

To the extent reasonably practicable, the approved minutes of the meetings of the Executive Committee shall be distributed to each Director prior to the next regularly scheduled meeting

of the Board. In addition, the Directors shall be given advance notice of Executive Committee meetings, and, for informational purposes only, may attend by telephone or in person, but shall have no vote on matters that come before the meeting.

### **Duties of the Chair of the Executive Committee**

**Section 3.** The Chair of the Executive Committee shall preside at all meetings of the Executive Committee of the Board of Directors. He/she shall be a member of the Executive Committee.

### **Nominating Committee**

**Section 4.** The Nominating Committee shall be nominated by the Chair of the Board, subject to the approval of the Board. The Nominating Committee shall present, to the Board of Directors prior to the annual meeting, a list of eligible nominees based on criteria established by the Board to fill any vacant or expiring term of a Director or officer as determined by the Board or the nominating committee, as may be so directed by the Board. It shall also review annual Board profile surveys, review the performance of each Director at least annually based on the criteria set forth in the Bylaws and pursuant to Board procedures and policies, implement a process to obtain Board nominations, review all nominations, submit a list of all nominees, together with their respective résumés and related background materials to the Board, along with the Committee's recommendation as to each nominee; and review / revise Board job descriptions as necessary. At least one member of the Executive Committee shall serve on the Nominating Committee.

### **Discharge of Duties**

**Section 5.** For purposes of performing any obligations on behalf of the organization, whether in the capacity of a committee member or a Board member, a Director shall discharge his/her duties as a Director, including his/her duties as a member of any committee to which appointed, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he/she reasonably believes to be in the best interest of the Corporation. In discharging his/her duties, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (i) one (1) or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board of Directors of which he/she is not a member, as to matters within its jurisdiction, if the Director reasonably believes the committee merits confidence. However, a Director is not acting in good faith if he/she has knowledge concerning the matter in question that makes reliance otherwise permitted by this By-Law unwarranted. A Director shall not be liable for any action taken as a Director, or any failure to take any action, if he/she has performed the duties of his/her office in compliance with this By-Law or if he/she is immune from suit pursuant to the duties of his/her office in compliance with this By-Law or if he/she is immune from suit pursuant to the provisions of Section 48-58-601 of the Tennessee Nonprofit Corporation Act, as now in effect or as may be hereafter amended. A Director shall not be deemed to be a trustee with respect to the Corporation or with respect to any property held or

administered by the Corporation including without limitation property that *may* be subject to restrictions imposed by the donor or transferor or such property.

#### **Article IV: Advisory Directors**

**Section 1.** The Board of Directors may elect such Advisory Directors, as it, in its sole discretion, deems appropriate. An Advisory Director shall be an immediate past member of the Board of Directors, a Freedom Award recipient or any other individual who, in the sole judgment of the Board, can make a positive contribution to the advancement of the mission of the Corporation by reason of his or her involvement in activities consistent with the mission of the Corporation. At the invitation of the Board of Directors, Advisory Directors may attend and participate in any discussion of meetings of the Board of Directors but shall not be entitled to vote on any matters brought to the meeting. Advisory Directors shall have no liability for any action or failure to take action of the Board of Directors or the Corporation. The Advisory Board, composed of the Advisory Directors, the Chair of the Board of Directors of the Corporation, the President of the Corporation, and such members of the Corporation's Board of Directors as shall be designated as liaisons to the Advisory Board by the Executive Committee of the Corporation from time to time, shall meet by videoconference or in person at a place and time to be determined by the Board of Directors from time to time. Advisory Board members shall serve without compensation.

#### **Tenure**

**Section 2.** The term of an Advisory Director shall be three (3) years, subject to renewal for additional three-year terms by an affirmative vote of a majority of the Board of Directors present at a duly-convened meeting. An Advisory Director may resign at any time by delivering a written notice to the Board of Directors, its Chair or President, or to the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later date.

#### **Article V: Officers of the Corporation**

**Section 1.** The officers of the Board, and therefore the Corporation, named in Article II, Section 15 shall be elected by the Board of Directors upon receiving a majority of the votes cast at a meeting of the Board of Directors duly called for that purpose. There shall be no cumulative voting.

#### **President of the Corporation**

**Section 2.** The Corporation shall have a President whose hiring shall be approved by the Board of Directors. The President shall be responsible for the day-to-day operations of the corporation and shall sign and execute all contracts in the name of the Corporation, when authorized to do so by the Board of Directors; and he/she shall have the authority to generally manage the business and affairs of the Corporation and perform all the duties incidental to his/her office. The President shall not also serve as the Secretary of the Corporation.

#### **Discharge of Duties**

**Section 3.** An Officer with discretionary authority shall discharge under that authority in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he/she reasonably believes to be in the best interest of the Corporation. In discharging his/her duties, an Officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one (1) or more Officers or employees of the Corporation whom the Officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants, or other persons as to matters the Officer reasonably believes are within the person's professional or expert competence. However, an Officer is not acting in good faith if he/she has knowledge concerning the matter in question that makes reliance otherwise permitted by this By-Law unwarranted. An Officer shall not be liable for any action taken as an Officer, or any failure to take any action, if he/she has performed the duties of his/her office in compliance with these By-Laws.

The foregoing is in addition to and supplements those standards set forth in T.C.A. § 48-58-403(b) as it may be amended from time to time, and incorporated herein by reference.

## **Article VI: Conflict of Interest**

**Section 1.** The administration and programs of NCRM shall be legally and morally directed with no tolerance for conflicts of interest, including but not limited to personal relationships, personal enterprise, and personal collecting. Staff and Board members of the National Civil Rights Museum shall adhere to the mission of the museum and its public trust responsibilities in all aspects of museum policy, administration, and programming. Board members shall understand and fulfill their trusteeship and act corporately for the institution as a whole, not as individual advocates for particular activities or subunits of the museum. All actions shall be in accordance with established bylaws or applicable resolutions and procedures and the Code of Ethics of the National Civil Rights Museum. Board and staff members have the right to build and maintain personal collections, however, they must scrupulously avoid any real or apparent conflicts of interest between their private collecting goals and those of the Museum. Should a Board or staff member purchase a cultural artifact that is relevant to the Museum's purpose, he or she shall report this purchase to the President. The Museum shall have the right to buy said item within 60 days of disclosure for the same price and all associated costs paid by the employee or Board member. In addition to the provisions contained in this Article VI and as may be set forth in the applicable laws of the State of Tennessee, all Board members and officers shall abide by the Code of Ethics of the National Civil Rights Museum and shall complete all disclosure and other requirements contained therein.

### **Section 2.**

(a) A conflict of interest transaction is a transaction with or affecting the Corporation in which a Director or Officer of the Corporation has a direct and indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the Director or Officer if the transaction was fair at the time it was entered into or is approved or ratified as provided in subsection (b) or (c).

(b) A transaction in which a Director or Officer of the Corporation has a conflict of interest may be approved if the material facts of the transaction and the Director's or Officer's

interest were disclosed or known to the Board of Directors or a committee consisting entirely of members of the Board of Directors and the Board of Directors or such committee authorized, approved, or ratified the transaction.

(c) For the purposes of this Section, a Director or Officer of the Corporation has an indirect interest in a transaction if, but not only if:

- (1) Another entity in which the Director or Officer has a material interest or in which the Director or Officer is a general partner is a party to the transaction; or
- (2) Another entity of which the Director or Officer, or trustee is a party to the transaction.

For purposes for subsection (b), a conflict of interest transaction is authorized, approved, or ratified, if it receives the affirmative vote of a majority of the Directors on the Board attending a duly noticed and convened meeting of the Board, a duly appointed committee consisting entirely of members of the Board of Directors, who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single Director. If a majority of the Directors on the Board who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single Director. If a majority of the Directors on the Board, who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction at a duly convened meeting of the Board at which a quorum is present for the purpose of taking action under this Section, the presence of, or vote cast by a Director (d) With a direct or indirect interest in the transaction does not affect the validity of any action under subsection (b) if the transaction is otherwise approved as provided in subsection (b).

### **Limitation on Corporate Activities**

**Section 3.** Charitable Purpose. The Corporation is organization and operated for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal Income Tax under Section 501 (c)(3) of the Internal Revenue Code or (ii) by a corporation, contribution to which are deductible under Section 170(c)(2) or the Internal Revenue Code.

**Section 4.** Influencing Legislation. No substantial part of the activities of this Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall this Corporation participate in, or intervene in (including the publishing of distribution of statements), any political campaign on behalf of any candidate for public.

### **Article VII: Indemnification**

**Section 1.** To the fullest extent, and under the circumstances permitted by Tennessee law; each Director and each officer (and, in either case, his/her heirs, estate, executors or administrators), whether or not then in office, or any person who may serve at the request of the

Board may be indemnified by the corporation against reasonable costs, expenses, judgments, fines, and amounts paid in settlement, reasonably incurred by or imposed upon him in connection with or resulting from any civil or criminal action, suit, or proceeding to which he may be made a party by reason of his or her being or having been a Director or Officer of the Corporation. The duty to indemnify shall not extend to a matter where the individual has acted outside his scope of authority or responsibility, for any breach of the Director's duty of loyalty to the Corporation or its members, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or where they have violated any provisions of these by-laws.

The forgoing is in addition to and supplements those standards set forth in T.C.A. § 48-58-302, as it may be amended from time to time, and incorporated herein by reference.

The Corporation shall have the power to purchase and maintain insurance on behalf of an individual who is or was a Director, Officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic Corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as Director, Officer, employee, or agent.

## **Article VIII: Miscellaneous Provisions**

### **Records**

**Section 1.** The Corporation shall keep as permanent record minutes of all meetings of its Board of Directors, a record of all actions taken by the Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation. The Corporation shall maintain appropriate accounting records. The Corporation shall maintain its records in written form or in other form capable of conversion into written form within a reasonable time. The Corporation shall keep at its principal office a copy of its Charter and all amendments thereto currently in effect; its By-Laws and all amendments to them currently in effect; any financial statements prepared for the last three (3) years; a list of the names and business addresses of its current Directors and Officers whose responsibility it is to keep such information current; and its most recent Annual Report delivered to the Secretary of State.

### **Fiscal Year Reports**

**Section 2.** The fiscal year of the Corporation shall begin on the first (1<sup>st</sup>) day of July and end on the thirtieth (30<sup>th</sup>) day of June of each year. The Corporation shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year and an income statement for that year. If financial statements are prepared for the Corporation on the basis of generally accepted accounting principles, the annual financial statement must also be prepared on that basis. If the annual financial statements are reported upon by a public accountant, his report must accompany them. If not, the statements must be accompanied by a statement of the President or the person responsible for the corporation's accounting records stating his reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and if not, describing the basis of preparation, and describing any

respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

### **Seal**

**Section 3.** The Corporation shall have the power to have a corporate seal which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it, or in any other manner reproducing it; provided, however, that the Corporation shall not be required to have a seal and the absence on any document shall not affect its validity.

### **Amendment of By-Laws**

**Section 4.** The Board of Directors of the Corporation may amend the By-Laws. The Corporation shall provide notice of any meeting of Directors at which an amendment is to be approved. The notice must also state that the purpose, or one of the purposes of the meeting is to consider a proposed amendment to the By-Laws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. The amendment must be approved by a majority vote of the Directors in office at the time of the amendment is adopted.

**Section 5.** Exclusive of the President of the corporation, all other Officers and Directors of the corporation shall serve without compensation.

**Section 6.** These By-Laws are subject to the provisions of the Tennessee Non-Profit Corporation Act (the “Act”) as it exists from time to time. In the event of any conflict between a provision of these By-Laws and the Act, the Act shall prevail. The remainder of these By-Laws shall in such event remain undisturbed.