
**BY-LAWS
OF
HERITAGE MIDDLE SCHOOL PARENT TEACHER ORGANIZATION, INC.
A Tennessee Nonprofit Corporation**

**ARTICLE I
OFFICES**

The principal office of Heritage Middle School Parent Teacher Organization, Inc. shall be located at 4803 Columbia Pike, Thompsons Station, TN 37179, in Williamson County. The Corporation may have such other offices as the Board of Directors may designate or as the business of the Corporation may require from time to time.

**ARTICLE II
DEFINITIONS**

Act. The term “the Act” shall mean title 48, chapters 51-68 of the Tennessee Code Annotated; also known as the Tennessee Nonprofit Corporation Act.

Board of Directors. The terms “Board of Directors” and “Director(s)” shall mean the Board of Directors of the Corporation.

Bylaws. The term “Bylaws” shall mean the Bylaws of the Corporation except where reference is specifically made to the bylaws of another entity.

Charter. The term “Charter” shall mean the Articles of Incorporation for the Corporation accepted by the Secretary of the State of Tennessee.

Code. The term “the Code” shall mean the Internal Revenue Code of 1986, as amended.

Corporation. The term “Corporation” shall mean Heritage Middle School Parent Teacher Organization, Inc., a Tennessee non-profit corporation.

Majority. The term “Majority” shall mean Fifty-one percent (51%) of the total number of directors or members voting as provided herein.

**ARTICLE III
MISSION, PURPOSE AND USE OF FUNDS**

Section 3.1. Mission and Purpose:

(a) **Mission:** Heritage Middle School Parent Teacher Organization, Inc. is organized to prepare students to reach their full potential as educated, productive, and responsible citizens. The Heritage Middle School Parent Teacher Organization, Inc., with the support of parents and teachers, works to help Heritage Middle School achieve its mission.

(b) **Purpose:** The purposes of the Corporation are those set forth in these Bylaws as from time to time may be amended or restated by the Board of Directors;

- 1) To promote and coordinate efforts which enhance and enrich the academic, fine arts, athletic and musical excellence of Heritage Middle School;
- 2) To enlist financial and moral support within the community for the above endeavors in order to achieve excellence for the same as a civic symbol for the entire community;

- 3) To encourage, among parents and the students at the elementary and middle school levels, an interest in the overall school programs and activities as preparation for participation in, and support of, the organization's activities at Heritage Middle School;
- 4) To provide confidential financial assistance to deserving students who, because of personal financial limitations, might otherwise be unable to participate in the programs and/or activities of Heritage Middle School;
- 5) To promote volunteer support to academics, fine arts, athletics, band, faculty and administration of Heritage Middle School;
- 6) To provide funds which support the educational mission of Heritage Middle School, and support and encouragement to all sanctioned school activities;
- 7) To develop between educators and the general public such united efforts as will secure for all children and youth the highest advantages in physical, mental, and social education.
- 8) To promote through an advocacy and educational program directed toward parents, teachers and the general public; developed through conferences, committees, projects and programs; and governed and qualified by the basic policies
- 9) Receiving, holding, and disbursing gifts, bequests, and funds arising from all sources.
- 10) To carry on any other charitable or educational activity (within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended) which is consistent with other provisions of these Articles and which may be lawfully carried on by a corporation organized under Tennessee Non-Profit Corporation statutes.
- 11) To be the umbrella under which special gifts such as memorials, bequests, trusts, and other designations will be received and used for designated purposes, so long as such designated purposes comply with the other purposes stated herein.
- 12) Doing of any and all things necessary or incident to the accomplishment of such purposes.

Section 3.2. Use of Funds:

(a) In making distributions to effectuate the charitable purposes of the Corporation, as delineated in these Bylaws, the Board of Directors shall have the authority to make distributions of the income and principal in such proportions and amounts as stated in any respected endowment or trust documents, provided that all such distributions are consistent with all applicable federal tax laws and regulations, as herein provided.

(b) The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation is distributable to, or inures to, the benefit of its directors or officers or any other private person, except as provided in Section 5.11 and Section 6.3 as reimbursement for expenses, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in these Bylaws.

(c) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and no part of the activities of the Corporation shall be the participation in, or intervention in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 3.3. Administration of Funds: The Corporation will not engage in any act of self-dealing, as defined in Section 4941(d) of the code, or corresponding provisions of any later federal tax laws; nor retain any excess business holdings, as defined in Section 4943(c) of the Code, or corresponding provisions of any later federal tax laws; nor make any

investments in a manner that would incur tax liability under Section 4944 of the Code, or corresponding provisions of any later federal tax laws; nor make any taxable expenditures, as defined in Section 4945(d) of the Code, or corresponding provisions of any later federal tax laws. In order to fully effectuate the provision of this Section, the Corporation shall adopt such grant procedures, and shall otherwise adhere to such administrative requirements as may from time to time be necessary, in order to fully comply with all applicable federal tax laws and regulations.

Section 3.4 Dissolution of Corporation: The Board of Directors shall have the authority to dissolve and terminate the Corporation at any time that, by 2/3 vote affirmative vote of the Directors, it deems such termination appropriate or advisable in such event, after paying, or making provisions for the payment of all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation exclusively for its charitable purposes, as delineated in these Bylaws, in such manner as the Board of Directors shall determine. Any assets not so distributed shall be distributed to one or more organizations then described under Section 501(c)(3) of the Code, or any corresponding provision of any future federal tax laws, as the Board of Directors shall determine. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made for such charitable purposes, or to such organization or organizations which are organized and operated exclusively for such purposes, as such court shall determine

Section 3.5 Restricted Funds. In the event funds are received for restricted purposes with a requirement that principal shall remain intact, the Board of Directors shall provide for the designation of Heritage Middle School Parent Teacher Organization, Inc. or an outside corporate trustee, as trustee to receive the funds and shall authorize the Chair to execute a trust indenture governing the use of these funds in such form as may be approved by the Board of Directors. A trust indenture in such form as may be approved by the Board of Directors, with appropriate changes in the rights and duties of the settler, is recommended to persons contemplating making gifts to the Corporation for restricted purposes within the purposes expressed in the Charter. All trusts shall contain an appropriate sunset clause providing that trust funds may be transferred to another fund of the Corporation in the event that the purpose for which the trust fund was established has been satisfied, completed, or no longer possible of achievement for some reason. In such event, a unanimous vote of the Board of Directors to transfer such trust funds shall be required.

ARTICLE IV **MEMBERS**

Section 4.1 Members. The Corporation shall have members.

Section 4.2 Membership. Individuals and/or groups having an interest in advancing the purpose of the Corporation shall be eligible for membership.

Section 4.3 Voting Membership. Voting membership shall be limited to all individuals and groups that have paid the Dues set forth in Section 4.4 herein. Voting by proxy is prohibited.

Section 4.4 Dues. Each member shall pay annual dues in an amount determined by a two-thirds (2/3) majority of the Board of Directors at its annual meeting.

Section 4.5 Additional Classes and/or Categories of Membership. The Board of Directors may, from time to time, authorize and designate other and/or additional categories and/or classes of membership in recognition of special and/or exceptional contributions on behalf of individuals, corporations and/or organizations in support of the organization's purpose(s).

Section 4.6 General Membership Meetings.

(a) General Membership meetings shall be held ~~at least once a year~~ in ~~September-April~~ and as called by the Board of Directors and/or the President.

(b) Meetings may be rescheduled for due cause at the direction of the President.

(c) The General Membership shall be notified of the time and place of each meeting by mail, circular, message, or telephone at least seven (7) days in advance of such meeting with the exception of emergency meetings.

(d) A minimum of ten percent (10%) of the voting members plus two (2) elected officers shall constitute a quorum.

(e) All meetings shall be conducted within the framework of accepted parliamentary procedure and Robert's Rules of Order shall be the definitive authority for questions of procedure, which cannot be satisfactorily resolved by the presiding officer.

ARTICLE V BOARD OF DIRECTORS

Section 5.1 General Powers. The business and affairs of the Corporation shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer, invest and distribute property on behalf of the Corporation in accordance with the provisions set forth in these Bylaws.

Section 5.2 Number, Tenure and Qualifications:

(a) The Board of Directors shall be composed of a minimum of three (3) Directors and a maximum of fifteen (15) Directors who are duly nominated and elected by the Members.

(b) Directors shall be elected at the annual meeting of the General Membership. Nominations for directors shall be given to the Secretary no later than thirty (30) days prior to the meeting of the General Membership, and such nominations shall be included in the notice to the Members as provided in Section 4.6(c). The term of each Director shall be one (1) year. Paid employees of the Corporation shall not be voting members of the Board of Directors.

Section 5.3 Duties

(a) The Board of Directors shall:

- (1) Report annually to the Members;
- (2) Review, Approve, or Reject Requests for Funds as Outlined in any Endowment or Trust Agreements;
- (3) Educate the Members and other individuals and groups/organizations about the Corporation and the different ways each Member and other individuals and groups/organizations may donate to the Corporation including but not limited to the following educational methods:
 - (i) Brochures,
 - (ii) Seminars and meetings, and
 - (iii) Foundation Giving Cards.
- (4) Elect the Chairman of the Board of Directors and the Officers on the same day the General Membership meeting is held.

Section 5.4 Limited Personal Liability of Directors:

(a) No person who is or was a director of the Corporation, nor such person's heirs, executors or administrators (hereinafter collectively referred to as a "director"), shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director. However, this provision shall not eliminate or limit the liability of a director:

- (1) for any breach of a director's duty of loyalty to the Corporation,
- (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or
- (3) under Section 48-58-304 of the Act.

(b) No repeal or modification of the provisions of this Section, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 5.5 Regular Meetings: Regular meetings of the Board of Directors shall be held at such time and date as shall be determined by the Board of Directors. The purpose of the meeting shall be to transact such business as may properly be brought before the meeting. At least one regular meeting shall be held during each year.

Section 5.6 Special Meetings: Special meetings of the Directors may be called by (i) the Chair or (ii) at the request of two directors. The Chair shall fix the place for holding any special meeting.

Section 5.7 Notices: Notice of each regular meeting shall be given at least one (1) week prior thereto, and notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a director at any meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting.

Section 5.8 Quorum and Participation in Meeting: Thirty-Three (33%) percent of the total number of directors in office shall constitute a Quorum for the transaction of business at any meeting of the Board of Directors. The members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 5.9 Manner of Acting: Each director shall be entitled to one (1) vote upon any matter properly submitted for vote to the Board of Directors. The act of a majority of the directors present at a meeting at which a Quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, or by these Bylaws. Directors absent from any meeting shall be permitted to vote at such meeting by written proxies.

Section 5.10 Action Without a Meeting:

(a) Any action required or permitted to be taken at a meeting by the Board of Directors, or by any Committee thereof, may be taken without a meeting if all voting members of the Board of Directors or the committee, as the case may be, consent in writing to taking such action without a meeting.

(b) If all Directors entitled to vote on the action consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Directors.

(c) The action must be evidenced by one or more written consents describing the action taken, signed in one or more counterparts by each Director entitled to vote on the action, indicating each signing Director's vote or abstention on the action. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Directors or the committee.

(d) A consent signed under this Section shall have the same force and effect as a meeting vote of the Board of Directors, or any committee thereof, and may be described as such in any document.

Section 5.11 Compensation and Reimbursement of Expenses: No director shall receive compensation for services rendered to the Corporation. Reasonable expenses incurred by any director in the course of coordinating the affairs of the Corporation may be reimbursed by the Corporation upon proper substantiation and a resolution by the Board of Directors.

Section 5.12 Presumption of Assent: A director of the Corporation who is present at a meeting of the Board of Directors at which action on any Corporate matter is taken shall be presumed to have assented to the action taken, unless his/her dissent shall be entered in the minutes of the meeting, or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of an action.

Section 5.13 Removal: Any member of the Board of Directors of the Corporation may be removed, with or without cause, by appropriate action of the Board of Directors. “With Cause” shall include but not be limited to missing ~~three~~ (2) consecutive meeting of the Board of Directors without providing written notice prior to any meetings a Director misses.

Section 5.14 Resignation: A director may resign his/her membership at any time by tendering his/her resignation in writing to the Chair or, in the case of the resignation of the Chair, to the Directors, to be effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

Section 5.15 Vacancies: Any vacancy occurring in the Board of Directors shall be filled by a vote of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.

Section 5.16 Advisory Members: The Board of Directors may from time to time appoint Advisory Members to the Board of Directors. Advisory Members will not have voting rights, duties, or responsibilities as a formal member of the Board. They will receive notice of all meetings and be entitled to attend all meetings of the Board of Directors.

ARTICLE VI OFFICERS

Section 6.1 Designation: The principal officers of the Corporation shall consist of the Chair, President, Vice-President, Secretary, and a Treasurer (the “Corporate Officers”). The Corporation shall always have an elected President and Secretary. The same person may not hold the two offices. Other offices may be designated and elected by the Board of Directors.

Section 6.2 Election; Term of Office; Duties: The Corporation Officers shall be elected by a majority of the Board of Directors, after the Board of Directors is elected at the meeting of the General Membership. Each officer's term of office shall be for one year, unless removed by the Board of Directors prior to the end of the one year.

Section 6.3 Duties of Officers The duties of each office shall be as follows or as determined by the Board of Directors from time to time.

(a) **Chair of the Board of Directors:** The Chair of the Board of Directors shall preside at meetings of the Board of Directors and shall have such other authority, duties and responsibilities as the Board of Directors shall, by resolution, provide. The Chair shall be elected by the Board of Directors.

(b) **President:** The President shall:

- (1) Serve as executive director of the organization, with full power to enforce the provisions of the Charter and By-Laws; appoint committee chairmen; delegate responsibilities; name ad hoc committees and membership to them; and recommend policies and procedures for successful realization of the purpose(s) and objective(s) of the organization as stated in the Charter and these By-Laws;
- (2) Preside at all General Membership meetings;
- (3) If the President is not a member of the Board of Directors, then he/she shall serve as Ex Officio member of the Board of Directors for one year after term as President expires or until replaced by his/her successor or another Ex-Officio member appointed by the Board of Directors. In such capacity, he/she will be non-voting except as a tie-breaker.

(c) **Vice-President:** The Vice President shall perform the duties of the President in his/her absence and/or in the event of a vacancy in such office. Additionally, the Vice President shall be responsible for coordinating the activities of such committees appointed by the President as he/she may, from time to time, be requested by the President to do so.

(d) **Secretary:** The Secretary shall attend all meetings of the Board of Directors and record all votes and keep minutes of all proceedings. He/she shall give or cause to be given, notice of all meetings of the Board of Directors.

(e) **Treasurer:** The Treasurer shall:

- (1) Execute all necessary bank documents for the proper transaction of organization business;
- (2) Receive and keep an accurate record of all monies earned by and/or paid to the organization;
- (3) Make regular deposits to various accounts of the organization;
- (4) Pay and keep an accurate record of all disbursements authorized by the Board of Directors;
- (5) Receive monthly bank statements and balance them against current records;
- (6) Prepare a financial report for presentation at each General Membership meeting, with a copy to be appended to the Minutes of each such meeting; and,
- (7) Advise the Board of Directors of special financial problems and budget considerations which are in need of resolution or which may affect decisions relative to specific expenditures.
- (8) The term of the Treasurer shall be January 1st to December 31st, and he/she shall list dates when key reports have to be filed with the State and I.R.S.
- (9) The outgoing Treasurer will be responsible for preparation of the form 990 to be filed with the I.R.S. by November 15th, if such form is required to be filed with the IRS.

Section 6.4 Remuneration. No officer or Director shall receive any compensation for his/her services, except as provided in **Section 5.11** and **Section 6.6** as reimbursement for expenses, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in these Bylaws. No member of the organization shall profit financially, directly or indirectly, from any of the organization's activities.

Section 6.5 Vacancies, Offices and Committee Members.

(a) Should the office of President become vacant, the Vice President shall automatically assume the duties of President.

(b) Should any of the offices or committee positions become vacant, an eligible member shall be elected by the Board of Directors to fill the remaining term of the position filled.

Section 6.6 Salaries and Expenses: The officers of the Corporation shall receive no compensation for services rendered to the Corporation. Reasonable expenses incurred by any of the officers in the course of coordinating the affairs of the Corporation may be reimbursed by the Corporation upon proper substantiation and a resolution of the Board of Directors.

Section 6.7 Voting Securities of Corporation: Unless otherwise ordered by the Board of Directors, the Chair shall have full power and authority on behalf of the Corporation to attend and to act and vote at any meetings of security holders, partnerships, or corporations in which the Corporation may hold securities, and at such meetings shall possess and may execute any and all rights and powers incident to the ownership of such securities which the Corporation might have possessed and exercised if it had been present. The Board of Directors may from time to time by resolution confer like powers upon any other person or persons.

ARTICLE VII
STANDARDS OF CONDUCT

Section 7.1 Standards of Conduct: A director or an officer of the Corporation shall discharge his or her duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he/she reasonably believes to be in the best interest of the Corporation.

Section 7.2 Reliance on Third Parties: In discharging his/her duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(a) One or more officers or employees of the Corporation who the director or officer reasonably believes to be reliable and competent in the matters presented;

(b) Legal counsel, public accountants, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence; or

(c) A committee of the Board of Directors of which the director or officer is not a member, as to matters within its jurisdiction, if the director or officer reasonably believes the committee merits confidence.

Section 7.3 Bad Faith: A director or officer is not acting in good faith if he/she had knowledge concerning a matter in question that makes reliance otherwise permitted by Section 7.2 unwarranted.

Section 7.4 No Liability: A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he/she performs the duties of his/her office in compliance with the provisions of this Article, or if he/she is immune from suit under the provisions of Section 48-58- 601 of the Act.

Section 7.5 No Fiduciary: No director or officer shall be deemed to be a fiduciary 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 of such property.

ARTICLE VIII **COMMITTEES**

Section 8.1 Executive Committee.

(a) An Executive Committee shall be established and shall be composed of the Officers of the Corporation as set forth in Article VI of these bylaws and the Chairman. The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the Corporation.

(b) The Executive Committee shall have the power to enter into any and all contracts and agreements.

(c) All checks, drafts or orders for payment of money issued in the name of the Corporation shall be signed as set forth in Section 9.3 herein.

(d) All promissory notes or other evidences of indebtedness shall be signed by the Treasurer and countersigned by the President after approval of the same by the Executive Committee.

(e) The Executive Committee shall have the power of recommendation to the Board of Directors but cannot modify any action already taken by the Board of Directors.

Section 8.2 Committees of the Board of Directors:

- (a) All committees shall:
- (1) consist of two (2) or more members,
 - (2) be under the control and serve at the pleasure of the Board of Directors,
 - (3) have charge of such duties as may be assigned to them by the Board of Directors or these Bylaws,
 - (4) maintain a permanent record of their actions and proceedings, and
 - (5) regularly submit a report of their actions to the Board of Directors, which shall ratify the actions of each committee.

(b) The Chair, or his/her designee, shall serve on each committee as an ex-officio member.

Section 8.3 General Provisions for Standing Committees: The Board of Directors may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning.

(a) Unless otherwise provided herein, the Board of Directors shall appoint the members of all standing committees at a meeting of the Board of Directors, or as soon thereafter as practical, to hold office for a term of one (1) year, commencing immediately following the meeting at which they are appointed and ending after the close of the next annual meeting of the Board of Directors, until their successors are appointed and qualified, or until the earlier of death, resignation or removal.

(b) Unless otherwise provided herein, the Chair shall appoint all chairmen of all standing committees from among the membership of the Board of Directors.

(c) A member of a standing committee may resign at any time by giving written notice both to the Chair and the chairmen of the committee from which the member is resigning.

(d) The Board of Directors may remove a member of a standing committee when, in its judgment, the best interest of the Corporation will be served by such removal.

(e) The Chair shall fill all vacancies in chairmanships of standing committees, and the Board of Directors shall fill all other vacancies in standing committees.

(f) Meetings of standing committees may be called by their respective chairmen or by the Chair. Each committee shall meet as often as is necessary to perform its functions.

(g) Each standing committee may adopt rules for its own governance, provided such rules are not inconsistent with the law or these Bylaws.

(h) A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any committee meeting. The act of a majority of the members of a standing committee present at a meeting at which a quorum is present shall be the act of the committee. Unless otherwise provided, a chairman of a standing committee shall be entitled to vote on any question before the committee.

(i) Each standing committee may invite additional individuals with expertise or familiarity in a pertinent area to meet with and assist the committee. Such individuals shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the committee.

Section 8.4 Ad Hoc Committees: The Chair, with the approval of the Board of Directors as evidenced by a resolution, may from time to time create such ad hoc committees as the Chair believes necessary or desirable to investigate matters or advise the Board of Directors. Ad hoc committees shall limit their activities to the accomplishment of the tasks for which created and shall not have any power to act except as specifically conferred by resolution of the Board of Directors. Such committees shall operate until their tasks have been accomplished or until earlier discharged by the Board of Directors.

ARTICLE IX **CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS**

Section 9.1 Contracts and Employment of Agents: The President and Secretary may together enter into any contracts, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Directors shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of agents, public accountants, custodians, experts, scholarship consultants and other counsel, legal counsel, investment or otherwise, as the Board of Directors shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

Section 9.2 Loans: No loans shall be contracted on behalf of the Corporation, and no evidences of 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 9.3 Checks, Drafts, etc: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be approved and signed as follows:

(a) For amounts over to \$300.00, the President and Treasurer or such officer's agent or agents, with approval from the Board of Directors or Executive Committee; or

(b) In such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 9.4 Deposits: All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board of Directors may from time to time select.

Section 9.5 Incorporation of Statutory Powers and Investment Authority: The Board of Directors is authorized to exercise all fiduciary powers specifically enumerated in Section 35-50-110, of the Tennessee Code Annotated. These powers, as set out in this statute as of the date of the execution of these Bylaws, are granted, notwithstanding that this statute may be subsequently amended or repealed. Further, without in any way intending to limit the discretionary authority granted by statute, the Board of Directors shall be authorized to retain assets distributed to it, even though such assets may constitute an over-concentration in one or more similar investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time provided the retention of such property is in the best interest of the Corporation and does not in any way jeopardize the tax-exempt status of the Corporation.

ARTICLE X **INDEMNIFICATION AND ADVANCEMENT OF EXPENSES**

Section 10.1 Mandatory Indemnification of Directors and Officers: To the maximum extent permitted by the provisions of Sections 48-58-501, et seq. of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to his/her heirs, executors, administrators and legal representatives, for the defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceedings, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

- (a) The Proceeding was instituted because such person is or was a director or officer of the Corporation; and
- (b) The director or officer conducted himself or herself in good faith, and he/she reasonably believed
 - (1) in the case of conduct in his/her official capacity with the Corporation, that his/her conduct was in its best interest;
 - (2) in all other cases, that his/her conduct was at least not opposed to the best interests of the Corporation; and
 - (3) in the case of any criminal proceeding, that he/she had no reasonable cause to believe his/her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

Section 10.2 Permissive Indemnification of Employees and Agents: The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501, et seq. of the Act, as amended from time to time (provided, however, that if an amendment to the Act in anyway limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to his/her heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 10.1 above, provided that the Proceeding was instituted by reason of the fact that he/she is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 10.1(b) above. The Corporation may also indemnify and advance expenses in a proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

Section 10.3 Non-Exclusive Application: The rights to indemnification and advancement of expenses set forth in Section 10.1 and 10.2 above are contractual between the Corporation and the person being indemnified, and his/her heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by a resolution of the Board of Directors, by these Bylaws, officer, employee or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

Section 10.4 Non-Limiting Application: The provisions of this Article X shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee or agent of the Corporation in connection with his/her appearance as a witness in a Proceeding at a time when he/she is not a named defendant or respondent in the Proceeding.

Section 10.5 Prohibited Indemnification: Notwithstanding any other provision of this Article X, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee or agent of the Corporation, or such person's heirs, executors, administrators or legal representatives:

(a) If a judgment or other final adjudication adverse to such person establishes his/her liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Act; or

(b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or

(c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his/her official capacity, in which he/she was adjudged liable on the basis that personal benefit was improperly received by him or her.

Section 10.6 Repeal or Modification Not Retroactive: No repeal or modification of the provisions of this Article X, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

ARTICLE XI **CONFLICTS OF INTEREST**

Section 11.1 Purpose. The purpose of the conflict of interest policy is to protect the Corporation interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 11.2 Definitions.

(a) **Interested Person** - Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) **Financial Interest** - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(1) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

(2) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 11.3(b), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 11.3 Procedures.

(a) **Duty to Disclose** - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists** - After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists, or approval of a conflict of interest may be obtained from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

(c) **Procedures for Addressing the Conflict of Interest.**

(1) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(2) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(3) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(5) If the governing board or committee is unable to approve or disapprove of a transaction or arrangement through the procedures set forth in Section 11.3(c)(1)-(4) herein, then the Corporation may seek approval of the transaction or arrangement from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

(d) **Quorum Requirements.** For purposes of this Section 11.3, a conflict of interest transaction or arrangement is authorized, approved or ratified if it receives the affirmative vote of a majority of the members of the governing board or committee, who have no direct or indirect interest in the transaction or arrangement; but a transaction or arrangement may not be authorized, approved or ratified under this Section 11.3 by a single director. A quorum is present for the purpose of taking action under this Section 11.3 if a majority of the members of the governing board or committee, who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction or arrangement.

(e) **Violations of the Conflicts of Interest Policy.**

(1) If the governing board or committee has reasonable cause to believe a member has failed to Disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(2) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 11.4 Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest;

(1) the nature of the financial interest,
(2) any action taken to determine whether a conflict of interest was present, and
(3) the governing boards or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement;

(1) the content of the discussion,
(2) any alternatives to the proposed transaction or arrangement, and
(3) a record of any votes taken in connection with the proceedings.

Section 11.5 Compensation.

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 11.6 Annual Statements. Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement, which affirms such person:

(a) Has received a copy of the conflicts of interest policy,
(b) Has read and understands the policy,
(c) Has agreed to comply with the policy, and
(d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

Section 11.7 Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 11.8 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 11.7, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XII
NOTICES AND WAIVER OF NOTICE

The notices provided for in these Bylaws shall be by electronic mail, telegram or written notice delivered personally or mailed to each individual entitled to receive the notice at his/her business or home address, or at such receiver's last known address as shown in the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Whenever any notice is required to be given to any director, officer or committee member of the Corporation under the provisions of these Bylaws, or the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a director at any meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XIII
AMENDMENTS

The Charter and/or By-Laws of the Organization may be altered, amended, or repealed, upon the affirmative vote of two-thirds (2/3) vote of the General Membership present at any General Membership meeting, except to the extent that such alteration, amendment or repeal is inconsistent with Article XIV hereof, according to the following procedure(s):

(a) Amendment(s) shall be proposed, discussed and approved in draft form at a Board of Directors meeting at least one (1) month prior to the General Membership meeting at which voting is to occur.

(b) Copies of the approved draft(s) of the proposed amendment(s) shall be distributed to the General Membership at least ten (10) days prior to the General Membership meeting at which voting is to occur.

ARTICLE XIV
EXEMPT STATUS

The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of Section 501(c) (3) of the Code and, as such, will be exempt from taxation under Section 501(a) of the Code.

ARTICLE XV
BOOKS AND RECORDS

The Corporation shall keep minutes of all meetings of the Board of Directors and meetings of the Members. All such records shall be kept at the principal office of the Corporation and may be inspected by any director or officer or by his/her agent or attorney for any proper purpose at any reasonable time.

ARTICLE XVI
MISCELLANEOUS

Section 16.1 Loans to Directors and Members Prohibited: The Corporation shall make no loans to any Directors or any Members.

Section 16.2 Insurance: Nothing in these Bylaws shall limit or otherwise affect the power of the Corporation to purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, employee or agent of the Corporation or is or was serving at the request of the Corporation, against any liability asserted against him/her and incurred by him/her in any capacity or arising out of his/her status, whether or not the Corporation would have the power or would be required to indemnify him/her against liability under the provisions of these Bylaws or any applicable law. To the extent that insurance operates to protect any person against liability, the Corporation's obligation to indemnify shall be deemed satisfied.

Section 16.3 Vote by Presiding Officer: The person acting as presiding officer at any meeting held pursuant to these Bylaws shall, if a voting member, be entitled to vote on the same basis as if not acting as presiding officer.

Section 16.4 Applicable Laws: The Corporation shall comply with all applicable laws of the United States and the State of Tennessee, and its Bylaws and Charter shall be interpreted to comply with all applicable laws of the United States and the State of Tennessee.

Section 16.5 Gender and Number: Whenever the context requires, the gender of all words used in these Bylaws shall include the masculine, feminine and neuter and the number of all words include the singular and plural.

Section 16.6 Articles and Other Headings:The Articles and other headings contained in these Bylaws are for reference purposes only and shall not affect the meaning or interpretation of these Bylaws.

Section 16.7 Official Name:

Heritage Middle School Parent Teacher Organization, Inc.
4803 Columbia Pike
Thompsons Station, TN 37179

Section 16.8 Federal Tax Identification Number: Heritage Middle School Parent Teacher Organization, Inc. tax identification number is: 62-1854119.

CERTIFICATION

I certify that these Bylaws were duly amended on this the _____ day of _____, 2014.

By: _____
_____, President