

Effective: April 30, 2020

BYLAWS OF
THE INTERNATIONAL TOWING & RECOVERY HALL OF FAME
AND MUSEUM. INC.

ARTICLE I
NAME, LOCATION & MISSION STATEMENT

Section 1 — Name: The Name of the organization shall be, The International Towing & Recovery Hall of Fame and Museum, Inc., a Section 501(c)(3) non-profit, non-commercial and non-political organization incorporated in the State of Illinois, USA.

Section 2 — Location: Principal business offices are located in Chattanooga, Tennessee, USA, with Area Representatives, Chapter Offices and other offices located elsewhere from time to time, as authorized by the Board of Directors.

Section 3 — Mission Statement: The International Towing and Recovery Hall of Fame and Museum, Inc, (referred to hereinafter as "ITRHF") is dedicated to:

A. Recording the history of our industry through the publication of books, periodicals and historical records and other documents and,

B. Collecting and restoring and displaying the artifacts and memorabilia of our industry through our ongoing Museum Program and,

C. Providing an Information Center (the "Museum") for the enlightenment of the general public regarding the many valuable contributions to society, worldwide, made by the towing and recovery industry. The towing and recovery industry serves the public by towing or removing damaged, disabled, abandoned, seized, repossessed or impounded vehicles from highway or other place by means of a wrecker boom, hoist, tow bar, tow line, dolly tilt bed, or other similar means of vehicle transfer without its own power or control.

D. Honoring those persons who have made unselfish and significant contributions to our industry in particular, or to mankind in general by induction into the International Towing and Recovery Hall of Fame and/or by recognition through other means.

E. Honoring those persons who have lost their lives in the line of service to our industry by enshrining those names upon the International Towing and Recovery Hall of Fame and Museum's Wall of the Fallen.

F. Providing financial support to the families of those persons who have lost their lives in the line of service to our industry by providing a method through which those families receive a financial gift from the International Towing and Recovery Hall of Fame and Museum's Survivor Fund.

The aims of the ITRHFM are to be carried out through any and all lawful activities, including those not specifically stated above or in the Charter, both directly and through contributions to any other corporation, trust, fund or foundation whose purposes are religious, charitable, scientific, literary or educational, provided, that any such activity or contribution shall conform to any applicable restrictions or limitations set forth in the Charter or which are imposed on corporations described in Section 501(c)(3) of the Internal Revenue Code and the Regulations thereunder or on any contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code as presently enacted, or as they may hereafter be amended or supplemented, or replaced by new sections of similar import, and to the final regulations thereunder. These bylaws shall be interpreted so as to comply with the provisions of 5503(c)(3) of the Internal Revenue Code and the regulations thereunder, and S 170(c)(2) of the Internal Revenue Code and the regulations thereunder. To the extent any of the provisions of these bylaws are contrary or inconsistent with Section 501(c)(3) of the internal Revenue Code and the Regulations thereunder, or Section 170(c)(2) of the Internal Revenue Code and the Regulations thereunder, such provision or provisions shall be interpreted in such manner so as to be in compliance with such Code sections, if possible, and if not, such inconsistent or contrary provisions shall be considered stricken.

ARTICLE II

MEMBERSHIP

Section 1 — Membership: Membership in ITRHFM is open to any person without regard to social or business standing, race, creed, color, national origin, religion or gender, who has, or seeks to have, an interest in the towing and recovery industry. Once admitted, the member shall be entitled to all rights and privileges described herein.

Section 2 — Membership Classifications:

- A. Regular Member, who is entitled to one vote per member.
- B. Life Member, who is entitled to one vote per member.
- C. Corporate Member, who is entitled to one vote per member.
- D. Honorary Member, who shall have no voting rights.

Section 3 — Rights of Members:

- A. All Members shall have the following rights:
 - 1. To attend all meetings of ITRHFM
 - 2. To speak in debate
 - 3. To receive official publications of ITRHFM
- B. Members in certain categories have the following rights:
 - 1. Regular, Lifetime and Corporate:
 - a. To make and second motions
 - b. To vote
 - 2. Regular, Lifetime and Corporate:
 - a. To hold elective office
 - b. To serve on Executive Board
 - 3. Regular, Lifetime and Corporate
 - a. To serve in appointed position
 - b. To serve as Chairman of appointed committee
 - c. To petition to for a local Chapter

Section 4 — Good Standing:

An individual member is in good standing within the meaning of these Bylaws if he/she:

1. Is in compliance with the ethical standards of conduct of ITRHFM as established by the Board of Directors from time to time.
2. Is current in the payment of membership dues.
3. Continues to qualify for the designated membership classification, and
4. Has not been convicted of any crime or wrongdoing that will adversely reflect on ITRHFM

Section 5 — Removal: Members of any classification shall be removed from membership after sixty days' non-payment of membership dues or for "Cause" as determined by a two thirds (2/3) vote of the Board of Directors. Removal for Cause shall occur only after the member has been advised in writing not less than 15 days in advance of the proposed expulsion of the reasons therefor and given reasonable opportunity, not less than 5 days before the effective date of the member's expulsion, to respond, either orally or in writing. If a member desires to be heard orally, the Board of Directors may hear from the member prior to any expulsion at any regularly or specially scheduled meeting of the Board of Directors, so long as the notice requirements set forth in the preceding sentence are observed. "Cause" for removing a member include, but are not necessarily limited to the following:

- A. Gross misconduct inconsistent with, and harmful to, the goals and objectives of ITRHFM or,
- B. Exploitation of membership in ITRHFM for personal gain.

Section 6 — Resignation: Any member may resign by submitting a written resignation to the Board of Directors.

Section 7 — Grievances: Any active member may submit an individual grievance pertaining to any material matter of the ITRHFM to the Board of Directors for resolution. The submittal must be made in writing and sent by Certified Mail. The Board of Directors shall have either one hundred twenty (120) days, or thirty (30) days following its next regularly scheduled meeting, whichever shall occur first, in which to respond. The response by the Board of Directors shall also be in writing and returned by Certified Mail. The findings and recommendations of the Board of Directors for any grievances submitted under this section shall be final and conclusive. Grievances common to two or more members must be submitted separately under this provision, or combined and submitted for consideration at the next regularly scheduled General Membership Meeting.

Section 8 — Indemnification: The Board of Directors may pay (or reimburse) any present or former member who, while acting on behalf of ITRHFM in strict accordance with the provisions of these Bylaws, has suffered any cost or expense as a direct result therefrom.

ARTICLE III DUES

Section 1 — Membership Dues: Shall be due and payable annually on each member's annual anniversary date of membership in ITRHFM.

Section 2 — Delinquency and Cancellation: Any member who shall become sixty (60) days delinquent in payment of dues shall be expelled, without further notice from the membership rolls and denied further service and/or rights of membership.

Section 3 — Refunds: No dues shall be refunded to any member whose membership terminates for any reason.

Section 4 — Schedule of Dues: The Board of Directors shall set the annual dues for the several classifications of membership and shall review the dues structure annually, or more often as necessary.

Section 5 — Applications of Dues: All membership dues may be used by ITRHFM for any approved expenditure including, but not necessarily limited to, payment of routine operating expenses. Members may not designate a portion of their dues as special gifts, or donations for special purposes.

ARTICLE IV MEETINGS OF THE MEMBERS

Section 1 — Annual Meeting: An annual meeting of the members of ITRHFM shall be held at such time and place as designated by the Board of Directors for the purpose of electing the Board of Directors, (subject to Article V, Section 3), and for the transaction of such other business as may come before the meeting.

Section 2 — Special Meetings: Special meetings may be called by the Board of Directors at any time upon written notice, or shall be called by the Board of Directors upon written petition duly submitted to the Board of Directors by a minimum of twenty-five (25) members in good standing. The reason for the special meeting shall be clearly stated in the notice thereof, and no other business may be considered at that time.

Section 3 — Notice of Meeting: Written notice of any annual or special meeting of the members of ITRHFM shall be communicated via mail or electronic means to each member no less than thirty (30) nor more than sixty (60) days before the date of such meeting. The notice shall state the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

Section 4 — Waiver of Notice: Whenever a notice is required to be given under the provisions of these Bylaws, 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.

Section 5 — Voting: At all meetings of ITRHFM each active member, with voting rights and in good standing, shall have one (1) vote, and may take part and vote in person, via mail, or by electronic means. Unless otherwise specifically provided by these Bylaws, a simple majority vote of those active members present and voting shall constitute the action of the members. There will be only one vote per member.

Section 6 — Voting by Mail, E-mail, or Other Electronic Means: The Board of Directors may authorize or direct voting by mail, e-mail, or other electronic means. Members without internet access may submit a completed paper ballot if voting is to be accomplished by electronic means. After the completion of the election process any submitted paper ballots will be recorded and added to the final election numbers.

Section 7 — Quorum: Ten percent (10%) of the membership eligible to vote shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting, then a majority of the members present and eligible to vote may adjourn the meeting from time to time as may be necessary to secure a quorum.

Section 8 — Postponement: The Board of Directors may, upon notice, postpone any annual or special meeting of the members.

Section 9 — Rules of Order: All annual and special meetings and other proceedings of ITRHFM shall be regulated and controlled according to Roberts Rules of Order (revised) for parliamentary procedure, except as may be otherwise herein provided.

ARTICLE V

BOARD of DIRECTORS

Section 1 — Authority and Responsibilities: The governing body of ITRHFM shall be the Board of Directors which shall set the overall policy for ITRHFM. The Board of Directors shall have supervision, control and direction of the affairs of ITRHFM, its committees and publications; shall determine its policies or changes therein; shall actively prosecute its objectives and supervise the disbursement of its operating funds and shall in all matters, have the exclusive right to execute contracts and commit the resources of ITRHFM on behalf of ITRHFM. The Board of Directors may adopt such rules and regulations for the conduct of its business as it shall deem advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility from time to time to the Executive Museum Director, certain standing Committees and others; however, any such delegation of authority is subject to the continued approval of the Board of Directors and may be withdrawn at any time as specified herein. Committees shall present their recommendations to the Board of Directors for approval. The Board of Directors will objectively listen to the reports and findings of its members and vote on issues which require a vote to insure the longevity and financial responsibilities of the ITRHFM. The Board of Directors and Executive Museum Director will also bring to the table additional issues and concerns which may affect the Museum. Such issues should be discussed in full and voted on if necessary. In case of any tie vote, the issue being voted on will be tabled until the next Board of Directors meeting.

Section 2 — Composition: The Board of Directors shall consist of a minimum of thirteen (13) and a maximum of fifteen (15) members, who must be members of ITRHFM. The Board will consist of five (5) Executive Members, one (1) Past President (also considered an Executive Member position) and nine (9) Board Members. Except as provided in Section 3 below, all Board of Directors members will be elected by the general membership prior to the annual meeting of the members via electronic means as directed by the Board of Directors with the results of the election to be shared at the general membership meeting. The five (5) Executive officers and Past President of ITRHFM will be ex officio members of the Board of Directors.

Section — 3 Term of Office and Manner of Election: Elections for members of the Board of Directors may, at the discretion of the Board of Directors, be conducted by electronic means. Members of the Board of Directors may serve two (2) year terms. The terms of the Board members who are not Executive Officers will be staggered with the terms of the Executive Officers, or the President may fill any such vacancy. Elections may be held more frequently if needed to fill a vacancy on the Executive Board. The initial terms of Board members who are not Executive Officers may be for one year if necessary to accomplish the staggering of terms as

specified in this Section 3. If elections are to be conducted electronically, one month prior to the annual membership meeting where members of the Board of Directors who are not Executive Officers are to be elected, the Nominations and Elections Committee will open the web based election process, Interested parties (other than officers), will have fourteen (14) days to submit their name, photograph and biographical information to run for a non-Officer Board of Directors position. Members without internet access may submit their applications to the Executive Museum Director. Any such written applications must be received by the Executive Museum Director within the fourteen (14) day period. At the end of the fourteen (14) day period, the election process will begin and all members of the ITRHFM will have fourteen (14) days to submit their votes. ITRHFM will utilize its then current accounting firm to setup a board selected third party online election voting service to manage a blind election and will send member specific voting information to all members. Accounting firm will provide the voting results to the president after the close of the election. The results from the web based voting process will be announced at the annual meeting except in the case of special elections where the results will be announced to the Board of Directors and subsequently published to the membership as a part of the normal membership communications. Each director shall hold office until the expiration of the term for which he or she is elected and thereafter until his or her successor has been elected and qualified or until removed as hereafter provided. The term of office shall correspond with the fiscal year of ITRHFM.

Section 4 — Meetings: The Board of Directors shall meet a minimum of two times per year; and at other times as designated by the President. Additional meetings may be called if necessary by the President, or by any six (6) members of the Board of Directors, Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the person or persons calling the meeting, shall be delivered either personally or by postal mail or email, to each director. Such notice shall be delivered not less than twenty-one (21) days before the date of the meeting and shall be deemed to be delivered when postal mail is deposited in the United States mail addressed to the director at his last known address, with postage thereon prepaid or when email is sent. If delivered personally, such notice shall be deemed delivered when actually received by the director. A waiver of the notice period 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.

Section 5 — Quorum: At all meetings of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business. The presence of a majority of the membership of a committee of the Board of Directors shall be required for the transaction of business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any of those present. A meeting may be adjourned despite the absence of a quorum.

Section — 6 Voting: The vote of a majority of the director's present at a meeting at which a quorum is present shall be the act of the Board of Directors or any committee, Voting rights shall not be delegated to another nor exercised by proxy. A director who is present at a meeting of the Board of Directors, or any committee thereof, shall be presumed to have concurred in the action taken at the meeting, unless his dissent thereto shall be entered in the minutes of the meeting or unless he shall submit his written dissent to the person acting as the secretary of the meeting before the adjournment thereof, or shall deliver or send such dissent by registered or certified mail to the secretary promptly after the adjournment of the meeting. Such rights to dissent shall not apply to a director who voted in favor of such action.

Section 7 — Telephone Conference: Subject to the provisions of these Bylaws regarding notice and quorum, members of the Board of Directors may participate in and hold a meeting by means of conference telephone or other electronic means in which all participating members are fully aware of the proceedings and given ample opportunity to participate. However, the Secretary before their next meeting shall provide a written "hard copy" of the minutes of such meeting to all members of the Board of Directors.

Section 8 — Vacancies: Vacancies in any Board position may be filled for the unexpired term thereof by a special election or by appointment as provided in Section 3 above. This election will be held in the standard procedures and may be carried out via the web based voting system. The Board of Directors may, at its option, choose not to fill a vacancy until the next regular election, provided such action does not impair the operation of the Board of Directors.

Section 9 — Removal: A member of the Board of Directors may be removed by the members for "cause" at any annual or specialty called meeting of the members, provided that written notice is provided to the members stating that a purpose of the meeting is to vote upon the removal of one or more directors named in the notice. Only the named director or directors may be removed at such meeting. For purposes of this Section 9, "cause" shall mean:

- A. Gross misconduct inconsistent with the interests and objectives of ITRHFM.
- B. Failure to attend two consecutive meetings of the Board of Directors without being excused in advance by the President.
- C. Termination of Membership in ITRHFM.

Section 10 — Compensation: Members of the Board of Directors shall not receive any compensation for their services, or reimbursement for expenses, unless approved by the Board of Directors.

Section 11 — Action by Consent: The Board of Directors and members of any committee designated by the Board of Directors may take any action which the Board of Directors or

committee is required or permitted to take without a meeting on written consent, setting forth the action so taken, if signed by all of the members of the Board of Directors.

Section 12 — Indemnification: Any Board of Directors member, or committee member, shall be entitled to indemnification to the broadest extent and in accordance with the laws of the State of Illinois.

Section 13 - Resignation: Any member of the Board of Directors may choose to resign from the Board of Directors during an active term. Once such submitted resignation is accepted by the majority of the combined Board of Directors and Executive Officers, the person resigning immediately ceases to be eligible to run for any Board of Directors or Executive Officer position at any future date. Any person previously resigning from one of these positions is also ineligible to run for one of these positions in the future. Persons resigning from such positions shall be required to return all museum owned property within one week of the acceptance of their resignation.

Section 14 – Emergency Board Meetings: Emergency board meetings may be called by the President or a majority of the board members upon written notice (email acceptable) to the full board with a minimum of twenty-four hours notice. The determination of whether the matter(s) to be discussed are to be classified as an emergency shall be made by the party or group calling the meeting as defined. The reason for the emergency meeting shall be clearly stated in the notice thereof, and no other business may be considered at this time.

ARTICLE VI

EXECUTIVE OFFICERS

Section 1 — Titles of Executive Officers: The ITRHFM shall have the following officers, each of whom shall be a member of the ITRHFM:

- President
- 1st Vice President
- 2nd Vice President
- Secretary
- Treasurer

Section 2 — Duties of Officers:

The officers, shall work directly with the Executive Museum Director to operate the Museum on a day to day basis. The officers should have the best interests of the Museum in mind at all times. All Officers must have served a minimum of one term on the Board of Directors to qualify for office. The officers will be members ex officio of the Board of Directors.

A — President: The President shall be the Chief Executive Officer of the ITRHFM. The President shall also serve as Chairman of the Board of Directors. The President may execute contracts and otherwise commit ITRHFM as authorized by the Board of Directors. The President, or his/her designee, will preside at all meetings and social functions of ITRHFM. At the Annual Meeting of the ITRHFM and at such other times as the President deems proper, the President shall communicate to the members such matters and make such suggestions as may tend to promote the welfare and increase the usefulness of ITRHFM. The President shall perform such other duties as are necessarily incident to the office of the President or as may be prescribed by the Board of Directors or applicable law. The President, shall have the power to authorize capital expenditures and maintenance expenses for the Museum in an amount up to \$5,000.00 per occurrence without Board of Directors approval.

A — First Vice President: In the absence of the President, or in the event of his or her inability or refusal to act, the First Vice President shall perform the duties of the President and, when so acting, shall have all the powers and be subject to all the restrictions upon the President. At the option of the President, the First Vice President may also preside over official social functions and banquets as the Master of Ceremonies, performing various public relations duties and such other duties as from time to time may be assigned by the President or the Board of Directors.

C — Second Vice President: The Second Vice President is second in line to the Presidency and shall assist, or act on behalf of the First Vice President in the event of his absence, inability, or refusal to act. The Second Vice President shall perform such other duties as may be directed from time to time, by the President or the Board of Directors.

D — Secretary: The Secretary shall be in charge of the corporate records and shall keep the minutes of all meetings of ITRHFM and the Board of Directors; post all notices of regular or called meetings; serve as corporate custodian of all documents, including corporate records and the corporate seal and see that the seal is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post office address of each member; file all reports as

required by law and, in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

E — Treasurer: The Treasurer shall establish and maintain proper accounting procedures for handling the ITRHFM's funds and shall be responsible for the keeping of the funds in such banks, trust companies and/or investments as approved by the Board of Directors. The Treasurer shall report on the financial condition of ITRHFM, including special Trust Funds and Foundations (if any), at all meetings of the Board of Directors, the Board of Directors, and at other times when called upon by the President and in general, shall perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be directed by the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall provide a bond insuring the faithful discharge of his or her duties in such sum and with such surety as the Board of Directors may approve. Payment of such bond, if required, shall be from the account of ITRHFM.

F — Past President: Upon the completion of the President's term of office and the election or appointment of a new President, the President that just completed his or her term shall serve as Past President, The Past President shall serve as an ex-officio Executive Officer member with voting rights.

Section 3 — Term of Office and Manner of Election: Elections for the Executive Officers may, at the discretion of the Board of Directors, be conducted by electronic means. Executive Officers may serve two (2) year terms. The terms of the Executive Officers will be staggered with the terms of the Board members who are not Officers. Elections may be held more frequently if needed to fill a vacancy on the Executive Board. The initial terms of Executive Board may be for one year if necessary to accomplish the staggering of terms as specified in this Section 3. If elections are to be conducted electronically, one month prior to the annual membership meeting where members of the Executive Board are to be elected, the Nominations and Elections Committee will open the web based election process. Interested parties, will have fourteen (14) days to submit their name, photograph and biographical information to run for an Executive Board position. Members without internet access may submit their applications to the Executive Museum Director. Any such written applications must be received by the Executive Museum Director within the fourteen (14) day period. At the end of the fourteen (14) day period, the election process will begin and all members of the ITRHFM will have fourteen (14) days to submit their votes. ITRHFM will utilize its then current accounting firm to setup a board selected third party online election voting service to manage a blind election and will send member specific voting information to all members. Accounting firm will provide the voting results to the president after the close of the election. The results from the web based voting process will be announced at the annual meeting except in the case of special elections where the results will be announced to the Board of Directors and subsequently published to the membership as a part of the normal membership communications. Each Executive Officer shall hold office until

the expiration of the term for which he or she is elected and thereafter until his or her successor has been elected and qualified, or until removed as hereafter provided. The term of office shall correspond with the fiscal year of ITRHFM.

Section 4 — Term Caps: Executive Officers shall be limited to two consecutive two-year terms in the same office. Executive Officers must then either serve in another Executive officer position or as Board of Director member for a minimum one two-year term before running for their previous Executive officer position again. Partial terms associated with appointments or special elections shall not be considered as a part of the term cap calculation.

Section 5 — Removal: Any Executive Officer may be removed by the Board of Directors by the vote of a majority of the entire board whenever in its judgment the best interests of the ITRHFM will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Executive Officer so removed. Election or appointment of an Executive Officer shall not of itself create contract rights.

Section 6 — Compensation: The Board of Directors shall have the authority to fix the compensation or provide for the fixing of the compensation of all Officers.

Section 7 — Indemnification: The Board of Directors shall be entitled to indemnification to the broadest extent and in accordance with the laws of the State of Illinois.

Section 8 - Resignation: Any Executive Officer may choose to resign from their Executive Officer position during an active term. Once such submitted resignation is accepted by the majority of the combined Board of Directors and Executive Officers, the person resigning immediately ceases to be eligible to run for any Board of Directors or Executive Officer position at any future date. Any person previously resigning from one of these positions is also ineligible to run for one of these positions in the future.

ARTICLE VII STANDING COMMITTEES

Section 1 — Designation of Standing Committees: The Board of Directors, within thirty (30) days after election to office, or within thirty (30) days after the annual board meeting, whichever shall first occur, will appoint members by majority vote to each of the following Standing Committees, except for the Elections Committee and the Hall of Fame Committee. The terms of the committee members shall generally be one year; provided however, that the Board of Directors may reappoint committee members from time to time if the Board of Directors considers such to be appropriate. Members may serve on multiple committees at any one time. Standing Committees will be required to hold at least one (1) meeting during the year and submit an annual report to the Board of Directors and general membership. Unexcused absences by any member of a Standing Committee for two (2) consecutive meetings shall result in the member being automatically terminated from the committee. After the members of each committee are selected, each committee, by majority vote, will elect its committee Chairperson.

Section 2 — Elections Committee:

- A. The Elections Committee shall be selected by the President, comprised of three (3) members, two (2) of whom shall be current Board of Director members and one of whom shall be the Executive Museum Director.
- B. The Elections Committee shall examine each prospective nominee before his or her name is added to the ballot or web based election site.
- C. The Elections Committee shall call for additional nominations from the general membership as they see fit and assist in the process of the online registration for the election site.

Section 3 — Hall of Fame Committee: The Hall of Fame Committee will accept, screen and select new inductees annually from submitted nominees while upholding the integrity and purpose of ITRHFM. The committee shall consist of ten (10) members. Five (5) Executive Officers and one (1) immediate Past President. The remaining four (4) members will be Board of Directors members who have served the longest combined period of time on the combined Board of Directors and Executive Board. If a selected member of either group should not want to be a member the committee, the Board of Director member who has next served the longest combined period of time on the combined Board of Directors and Executive Board and who desires to serve on the committee will fill the committee position.

Section 4 — Wall of the Fallen / Survivor Fund Committee: The members of the Wall of the Fallen / Survivor Fund Committee will be appointed annually by majority vote of the Executive Officers. This committee will have eleven (11) members, a minimum of six (6) of which shall be from the combined Board of Directors and Executive Officers. The committee members

shall vote to appoint a chairman for the committee from among the committee members who have served at least one full prior term on the committee. Persons accepting the role of committee chairman must commit to a minimum of one additional subsequent term on the committee to follow their chairmanship and are automatically a part of the following year's committee prior to the committee vote to select the chair for that year, without losing their ability to be elected to the chair position again. The Wall of the Fallen / Survivor Fund Committee is tasked with the responsibility to screen, review and accept honorees whose names have been submitted for enshrinement on the Wall of the Fallen and/or monetary assistance from the Survivor Fund. This Committee will additionally be tasked with continually raising funds for the Survivor Fund while upholding the integrity and purpose of ITRHFM.

Section 5 — Museum Preservation Committee: The members of the Museum Preservation Committee will be appointed by majority vote of the Board of Directors. This Committee shall maintain the overall appearance and functionality of the ITRHFM. This committee will work in conjunction with the Executive Museum Director under the approved operating budget of the Museum and have access to operating funds not to exceed \$2,500.00. The committee may have an additional \$5,000.00 in operating funds if approved by the President. This committee will prepare reports for the Board of Directors semiannually with regard to items that have been completed and items to be focused on in the following six month period, At all times this committee should strive to uphold the integrity and purpose of ITRHFM, This committee shall consist of three (3) members, one of whom will be the Executive Museum Director.

Section 6 — Committees: The president and/or Board of Directors has the authority to create and dissolve additional non-standing committees as necessary.

ARTICLE VIII

EXECUTIVE MUSEUM DIRECTOR AND STAFF

Section 1 — Appointment: The Board of Directors shall have the authority to employ a staff head with compensation to be paid from the operating account of ITRHFM. This staff head shall assume the title and position of Executive Museum Director and may be either salaried as a direct employee, or compensated as a contract consultant, as determined by the Board of Directors.

Section 2 — Authority and Responsibility: The Executive Museum Director shall function as the business manager of ITRHFM, taking direction and authority directly from the Executive Board. The Executive Museum Director shall submit an annual business plan and budget to the Board of Directors which, when approved, shall be diligently implemented until replaced or revised by a successor business plan. Decisions involving the day-to-day execution

of the business plan and operation of the Museum; any other activities delegated to the Executive Museum Director; the employment or termination of staff; salaries or compensation of staff and other matters incident thereto shall be exclusively made by the Executive Museum Director without the necessity for approval by the Board of Directors; so long as any contract executed on behalf of the Museum does not exceed one year in length, and any single expenditure or contract does not exceed \$2,500.00. The Executive Museum Director must receive a minimum of two quotes from sub-contractors on any maintenance item where the estimate to fix or replace such item is higher than \$1,000.00. Contracts for longer than one year in duration, or expenditures exceeding the amounts set forth in the preceding sentence shall require approval from three members of the Executive Board with the exception of payments made to families as authorized by the Survivor Fund committee which shall be made based on the voting results of that committee. The delegation of responsibility from the Board of Directors to the Executive Museum Director shall also carry the delegation of authority to act on behalf of the Board of Directors and ITRHFM and, insofar as such actions by the Executive Museum Director are prudent and within reasonable intent of the delegated responsibility and authority, the Executive Museum Director shall be indemnified against liability in the same manner as Board of Director members and officers as provided in these bylaws.

In the case of an emergency, i.e. natural disaster or fire at the museum, the Executive Museum Director has the authority to make decisions that are in the best interests of the Museum and protecting the history and artifacts housed inside the Museum. During such period of time, the Executive Museum Director will have no financial limits with regard to repairs or temporary repairs. However, after the Executive Museum Director determines the contents of the Museum are no longer at risk, he/she must submit a full report to the Board of Directors explaining the actions taken on behalf of the Museum during the emergency.

ARTICLE IX

FINANCE

Section 1 — Fiscal Period: The fiscal year of ITRHFM shall be November 1, through October 31.

Section 2 — Bonding: As specified herein the Board of Directors may require the Treasurer, Executive Director and selected members of the staff to post a trust or surety bond. Upon petition of the membership at an annual or special meeting, such bond may also be

required of all members of the Board of Directors and/or others and, in such event; all costs shall be paid by ITRHFM.

Section 3 — Budget: Upon recommendation of the Executive Museum Director and Standing Committees, the Board of Directors shall review and approve an annual budget which, with the annual business plan, shall be presented for approval by the members at the annual or any special meeting.

Section 4 — Financial Report: The Treasurer and accounting firm shall make available to the membership, after the winter board meeting a previous, financial report for the prior fiscal year.

Section 5 — Audit: The accounts of ITRHFM shall be subject to supervision and annual audit by a certified public accountant who shall be appointed by the Executive Museum Director with the approval of the Board of Directors. Results of such audit shall be submitted to the Board and general membership within a reasonable time thereafter by the certified public accountant conducting such audit.

Section 6 — Foundations and Special Funds: From time to time, the Board of Directors may direct the establishment of certain trust accounts at an insured institution suitable for such purposes, which accounts shall be used as custodial depositories for dedicated gifts to the ITRHFM, (the "Trust Accounts"). Consistent with the conditional restraints of such gifts, these Trust Accounts may, at the option of the Board of Directors, be consolidated into one, or more accounts each of which shall be supervised by the Board of Directors. In all events, however, the Board of Directors primarily recognizes a responsibility to the donors of any gifts and will take such steps as are reasonably necessary to ensure that the specific terms and conditions of each donor are respected and diligently adhered to in every respect. Additional details regarding the establishment of any such foundation(s) shall be added later by amendment to these Bylaws.

ARTICLE X

CHAPTERS

Section 1 — Chapters: Upon application by a majority of the members of the ITRHFM and with approval of the Board of Directors, a Charter may be issued to form a local chapter of the ITRHFM within a geographically defined area ("Chapter").

Section 2 — Composition: The composition of a local Chapter shall be determined first on location and then by the current and projected membership within such location. Within the contemplation of these Bylaws, the following have been designated as primary areas of consideration for the establishment of Chapters:

- A. UNITED STATES OF AMERICA (herein authorized and established)
- B. OTHER COUNTRIES (as authorized by the Executive Board)

Section 3 — New Groups: ITRHFM shall assist in the formation of new groups of members into local Chapters.

Section 4 — Existing Groups: Existing organizations or groups will be considered only to the extent that each member fully supports the objectives of ITRHFM and the tenets of membership.

Section 5 — Limited Jurisdiction: Area Chapters shall be authorized to act on behalf of ITRHFM within specified boundaries.

Section 6 — Who May Apply: Ten (10) or more members of ITRHFM who are all located within the boundaries of a specific area may apply to the Board of Directors for authority to establish a local Chapter within their area.

Section 7 — Data Required: Applications for Chapters shall be in writing. An application by a group of members shall be signed by all such members submitting said application. An existing organization of nonmembers who seek to become a Chapter shall provide detailed information regarding the background, membership and stated objectives of their existing organization, together with a collective statement of intent to comply with the conditions of membership in ITRHFM.

Section 8 — Action: An application by a group of members or nonmembers does not necessarily commit ITRHFM to establish a local Chapter and all such applications will be impartially considered by the Board of Directors entirely on the basis of individual merit.

Section 9 — Local Authority: Upon granting approval for the establishment of a local chapter, the Board of Directors may also authorize the Chapter to establish an office, collect dues on behalf of ITRHFM, arrange for printing, telephone and other incidental needs and to otherwise carry out certain functions of ITRHFM at the local level. However, no member of ITRHFM, including Chapter representatives or their designees, shall realize any personal financial gain in connection with their association with ITRHFM and any delegation of local authority by the Board of Directors shall be subject to periodic review to insure absolute compliance with this fundamental requirement.

Section 10 — Chapter Dues: Chapter Dues, as a matter apart from the Dues of ITRHFM, will not be allowed, nor will any special assessments or fund raising campaigns with proceeds directed to the local chapter. Local reasonable and applicable expenses will be submitted to ITRHFM for approval and reimbursement.

Section 11 — Chapter Dissolution: A Chapter may be dissolved either, (1) upon written application to the Board of Directors of fifteen (15) members or a simple majority of its members or, (2) upon determination by the Board of Directors. In the event of such a dissolution, final responsibility for transferring membership back to the International Office or into another Chapter, or for settling outstanding local accounts and debts, shall rest exclusively with the Board of Directors and the Chapter Representative, or his/her designees who shall fully cooperate to that end.

Section 12 — Coalition Agreements: The Board of Directors is authorized to form certain alliances with select state or national associations for the purposes of promoting membership in ITRHFM. Such alliances shall be referred to as "Coalition Agreements" in which the state or national association may be authorized:

- A. To represent ITRHFM in certain, pre-determined matters at a pre-determined level and,
- B. To hold membership meetings and social functions on behalf of the ITRHFM, and,
- C. To provide liaison with respect to the affairs of ITRHFM between the local membership and ITRHFM.

ARTICLE XI AMENDMENTS

These bylaws may be amended or repealed, and new bylaws may be adopted, by the vote of a majority of the full Board of Directors at any regular or special meeting of the Board of Directors. These bylaws may also be amended or repealed, and new bylaws may be adopted, by a majority vote of the members. The resulting bylaws may contain any provision for the regulation and management of the ITRHFM not inconsistent with law and the ITRHFM's charter. Any amendment of the charter inconsistent with these bylaws shall operate to amend the bylaws pro tanto.

ARTICLE XII DISSOLUTION

The ITRHFM shall use its funds only to accomplish the objective purpose specified in these Bylaws, and no part of said funds shall inure, or otherwise be distributed to its members, On dissolution of the ITRHFM, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, or philanthropic organizations to be selected by the Board of Directors.

ARTICLE XIII ENDOWMENT FUNDS

Section 1 — Museum Perpetuating Endowment Fund: In addition to its general accounts, ITRHFM may maintain a dedicated fund called the "Museum Perpetuating Endowment Fund" (the "Perpetuating Fund") to support the operations, activities and purposes of the Museum located at 3315 Broad Street, Chattanooga, Tennessee 37408, and any subsequent location of the Museum. It is intended that the Perpetuating Fund be a component part of ITRHFM and not be deemed a separate trust fund held by ITRHFM in a trustee capacity. The Board may create subaccounts in the Perpetuating Fund.

Section 1.1 — Fund Management: In the absence of other arrangements made by the Board, the Board of Directors will oversee and manage the Perpetuating Fund. The net income of the Perpetuating Fund, for distribution purposes and tax reporting purposes, shall be determined from time to time by the Board of Directors, and shall be distributed currently as necessary to support the operations, activities and purposes of the Museum and to provide for the upkeep and maintenance of the Museum. The principal of the Perpetuating Fund shall be preserved without invasion and shall be managed to produce income for the operations and mission of ITRHFM in perpetuity. Any donations made to the Perpetuating Fund shall be preserved as part of the Perpetuating Fund's principal. The Board of Directors may also transfer operating funds of ITRHFM into the Perpetuating Fund's principal. The Perpetuating Fund may be charged regularly for a proper allocation of direct and indirect expenses attributable to its creation and maintenance, as determined by the Board of Directors. The Board of Directors shall have the ultimate authority and control over all property in the Perpetuating Fund and the

income derived therefrom, for the purposes described herein. From time to time, the assessment of charges to support auditing, fund management, and other costs may be made against the income of the Perpetuating Fund.

Section 1.2 Prohibited Distributions: No distributions will be made from the Perpetuating Fund to discharge or satisfy a legally enforceable pledge or obligation of any person. The Perpetuating Fund shall at all times be used exclusively for charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the "Code"), and in a manner that will not affect the tax exempt status of ITRHFM, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 2 — Survivor Endowment Fund: In addition to its general accounts and the Perpetuating Fund, ITRHFM may maintain a dedicated fund called the "Survivor Endowment Fund" (the "Survivor Fund") to provide a source of financial gifts for the families of those persons killed while engaged in the work of towing and recovery. It is intended that the Fund be a component part of ITRHFM and not be deemed a separate trust fund held by ITRHFM in a trustee capacity. The Board of Directors may create subaccounts in the Survivor Fund.

Section 2.1 — Fund Management: In the absence of other arrangements made by the Board, the Board will oversee and manage the Survivor Fund. The net income of the Survivor Fund, for distribution purposes and tax reporting purposes, shall be determined from time to time by the Board of Directors. The Board of Directors will make awards from the income of the Survivor Fund to families of workers killed in the line of work in the towing and recovery industry, the selection of which shall be solely within the discretion of the Board of Directors, or its appointed committee. The principal of the Survivor Fund may be used when necessary if income distributions should not be sufficient, in the judgment of the Board of Directors, to make an appropriate award to a family. The remaining principal of the Survivor Fund shall be preserved and managed to produce income. Awards from the Survivor Fund shall be made without regard to race, color, religion, sex, age, national origin or disability. The Board of Directors may also transfer operating funds of ITRHFM into the Survivor Fund principal. The Survivor Fund may be charged regularly for a proper allocation of direct and indirect expenses attributable to its creation and maintenance, as determined by the Board of Directors. The Board of Directors shall have the ultimate authority and control over all property in the Survivor Fund and the income derived therefrom, for the purposes described herein. From time to time, the assessment of charges to support auditing, fund management, and other costs may be made against the income of the Survivor Fund.

Section 2.2 — Prohibited Distributions: No distributions will be made from the Survivor Fund to discharge or satisfy a legally enforceable pledge or obligation of any person. The Perpetuating Fund shall at all times be used exclusively for charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code

(the "Code"), and in a manner that will not affect the tax exempt status of ITRHFM, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 3 — Donor-Directed Endowments: The Board of Directors endorses the following principles for all other donor-directed endowments:

Section 3.1 — Total Return Policy: ITRHFM employs a total return concept for the investment of donor-directed endowments and for the determination of spendable income. This concept recognizes traditional yield (dividends and interest), plus or minus realized and unrealized gains or losses, in determining the total return earned during any particular period.

Section 3.2 Donor-Directed Endowment as Permanent Asset: Donor-directed endowments shall be accounted for in two different asset groups; the corpus or historical gift will be reflected as permanent assets, while the investment return that is derived from corpus and maintained as endowment will be accounted for as a separate asset class depending on the donor's restrictions. The different asset groups may be combined for investment purposes.

Section 3.3 — Invasion Prohibition: Under no circumstances should expenditures reduce the value of the donor-directed endowment fund below its historic value.

Section 3.4 — Preserving Real Value: Management of a donor-directed endowment shall provide ongoing support for ITRHFM's efforts to record the history of our industry; to collect, restore and display artifacts and memorabilia of our industry; to provide an information center for the enlightenment of the general public regarding the contributions to society made by the Towing and Recovery Industry; and to honor those persons who have made unselfish and significant contributions to our industry in particular, by induction into the International Towing and Recovery Hall of Fame.

Section 3.5 — Investment Policy: Donor-directed endowments shall be invested in accordance with applicable state or federal laws governing endowments, and investment policies as adopted from time to time by the Finance Committee. The overall investment policy for donor-directed endowments is intended to increase or maintain the real value of endowment funds over time net of inflation.

Section 4 — Bequest Policy: Unrestricted planned gifts received during any fiscal year will be used for current operating activities, with the exception of individual "large" bequests. Individual "large" bequests are those of One Million Dollars (\$1,000,000) or greater. Large bequest receipts shall be placed in segregated accounts. The segregated accounts are to be administered for the benefit of Board of Directors-directed priorities. Both national and chapter

portions of large bequests shall be administered through segregated accounts, as specified above, for the duration and purposes set by the Board of Directors.

Section 5 — Scholarship Fund: The Board of Directors shall have the right to establish scholarships for deserving students interested in pursuing their education beyond high school. The Board of Directors may receive, hold and administer scholarship donations received from persons, other organizations, corporations, foundations and philanthropies in support of any such scholarship fund programs. Donors may choose the name of the scholarships if they so desire. Scholarships may be awarded to deserving students based upon area of interest, school, geographical origin, leadership potential, merit, financial need, academic achievement and/or other criteria as determined by the Board of Directors and/or donors.