

TENNESSEE CODE ANNOTATED
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*** Current through the 2012 Regular Session ***

Title 48 Corporations And Associations
Nonprofit Corporations
Chapter 58 Directors and Officers
Part 2 Meetings and Action of Board

Tenn. Code Ann. § 48-58-201 (2013)

48-58-201. Regular and special meetings.

(a) If the time and place of a directors' meeting is fixed by the bylaws or the board, the meeting is a regular meeting. All other meetings are special meetings.

(b) A board of directors may hold regular or special meetings in or out of this state. Unless the charter or bylaws otherwise provide, special meetings of the board of directors may be called by the presiding officer of the board, the president, or any two (2) directors.

(c) Unless the charter or bylaws provide otherwise, a board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

HISTORY: Acts 1987, ch. 242, § 8.20.

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Tenn. Code Ann. § 48-58-202 (2013)

48-58-202. Action without meeting.

(a) Unless the charter or bylaws provide otherwise, action required or permitted by chapters 51-68 of this title to be taken at a board of directors' meeting may be taken without a meeting. If all directors consent to taking such action without a meeting, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the board. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken.

(b) Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date.

(c) A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

HISTORY: Acts 1987, ch. 242, § 8.21.

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Tenn. Code Ann. § 48-58-203 (2013)

48-58-203. Notice of meetings.

(a) Unless the charter, bylaws or subsection (c) provide otherwise, regular meetings of the board may be held without notice.

(b) Unless the charter, bylaws or subsection (c) provide otherwise, special meetings of the board must be preceded by at least two (2) days' notice to each director of the date, time, and place, but not the purpose, of the meeting.

(c) In corporations without members, any board action to remove a director or to approve a matter, which would require approval by the members if the corporation had members, shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to § 48-58-204.

(d) Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

HISTORY: Acts 1987, ch. 242, § 8.22.

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Tenn. Code Ann. § 48-58-204 (2013)

48-58-204. Waiver of notice.

(a) A director may waive any notice required by chapters 51-68 of this title, the charter or bylaws before or after the date and time stated in the notice. Except as provided in subsection (b), the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records.

(b) A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director at the beginning of the meeting (or promptly upon the director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

HISTORY: Acts 1987, ch. 242, § 8.23.

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Tenn. Code Ann. § 48-58-205 (2013)

48-58-205. Quorum and voting.

(a) Except as otherwise provided in chapters 51-68 of this title, the charter or bylaws, a quorum of a board of directors consists of a majority of the directors in office immediately before a meeting begins. In no event may the charter or bylaws authorize a quorum of fewer than the greater of one third (1/3) of the number of directors in office or two (2) directors. When a quorum is once present to organize a meeting, a meeting may be later adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present.

(b) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board unless chapters 51-68 of this title, the charter or bylaws require the vote of a greater number of directors.

(c) A director who is present at a meeting of the board of directors when corporate action is taken is deemed to have assented to the action taken unless:

(1) The director objects at the beginning of the meeting (or promptly upon the director's arrival) to holding it or transacting business at the meeting;

(2) The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

(3) The director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

HISTORY: Acts 1987, ch. 242, § 8.24.

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Tenn. Code Ann. § 48-58-206 (2013)

48-58-206. Committees.

(a) Unless the charter or bylaws provide otherwise, a board of directors may create one (1) or more committees of the board. A committee may consist of one (1) natural person. Except as provided in § 48-58-302, members of committees of the board of directors may be members of the board of directors or other natural persons, and they shall serve at the pleasure of the board of directors.

(b) The creation of a committee and appointment of members to it must be approved by the greater of:

- (1) A majority of all the directors in office when the action is taken; or
- (2) The number of directors required by the charter or bylaws to take action under § 48-58-205.

(c) Sections 48-58-201 -- 48-58-205, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board, apply to committees of the board and their members as well.

(d) To the extent specified by the board of directors or in the charter or bylaws, each committee of the board may exercise the board's authority under § 48-58-101.

(e) A committee may not, however:

- (1) Authorize distributions;
- (2) Approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the corporation's assets;
- (3) Elect, appoint or remove directors or fill vacancies on the board or on any of its committees; or
- (4) Adopt, amend or repeal the charter or bylaws.

(f) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in § 48-58-301.

HISTORY: Acts 1987, ch. 242, § 8.25.

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Title 48 Corporations And Associations
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Chapter 66 Records and Reports
Part 1 Records

Tenn. Code Ann. § 48-66-101 (2013)

48-66-101. Corporate records.

(a) A corporation shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board of directors in place of the board of directors as authorized by § 48-58-206(d).

(b) A corporation shall maintain appropriate accounting records.

(c) A corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the names and addresses of all members, in alphabetical order by class showing the number of votes each member is entitled to vote.

(d) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(e) A corporation shall keep a copy of the following records at its principal office:

- (1) Its charter or restated charter and all amendments to it currently in effect;
- (2) Its bylaws or restated bylaws and all amendments to them currently in effect;
- (3) Resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members;
- (4) The minutes of all meetings of members and records of all actions approved by the members for the past three (3) years;
- (5) All written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years under § 48-66-201;
- (6) A list of the names and business or home addresses of its current directors and officers; and
- (7) Its most recent annual report delivered to the secretary of state under § 48-66-203.

HISTORY: Acts 1987, ch. 242, § 16.01.

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Title 48 Corporations And Associations

Nonprofit Corporations

Chapter 66 Records and Reports

Part 1 Records

Tenn. Code Ann. § 48-66-102 (2013)

48-66-102. Inspection of records by members.

(a) Subject to § 48-66-103(c), a member is entitled to inspect and copy, at a reasonable time and location specified by the corporation, any of the records of the corporation described in § 48-66-101(e) if the member gives the corporation a written demand at least five (5) business days before the date on which the member wishes to inspect and copy.

(b) A member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the corporation, any of the following records of the corporation if the member meets the requirements of subsection (c) and gives the corporation written notice at least five (5) business days before the date on which the member wishes to inspect and copy:

(1) Excerpts from any records required to be maintained under § 48-66-101(a), to the extent not subject to inspection under subsection (a);

(2) Accounting records of the corporation; and

(3) Subject to § 48-66-105, the membership list.

(c) A member may inspect and copy the records identified in subsection (b) only if:

(1) The member's demand is made in good faith and for a proper purpose;

(2) The member describes with reasonable particularity the purpose and the records the member desires to inspect; and

(3) The records are directly connected with the purpose for which the demand is made.

(d) The right of inspection granted by this section may not be abolished or limited by a corporation's charter or bylaws.

(e) This section does not affect:

(1) The right of a member to inspect records under § 48-57-201 or, if the member is in litigation with the corporation, to the same extent as any other litigant; or

(2) The power of a court, independently of chapters 51-68 of this title, to compel the production of corporate records for examination.

HISTORY: Acts 1987, ch. 242, § 16.02.

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Chapter 66 Records and Reports

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Tenn. Code Ann. § 48-66-103 (2013)

48-66-103. Scope of inspection rights.

(a) A member's agent or attorney has the same inspection and copying rights as the member the agent or attorney represents.

(b) The right to copy records under § 48-66-102 includes, if reasonable, the right to receive copies made by photographic, xerographic or other means.

(c) The corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records.

(d) The corporation may comply with a member's demand to inspect the record of members under § 48-66-102(b)(3) by providing the member with a list of its members that was compiled no earlier than the date of the member's demand.

HISTORY: Acts 1987, ch. 242, § 16.03.

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Tenn. Code Ann. § 48-66-104 (2013)

48-66-104. Court-ordered inspection.

(a) If a corporation does not allow a member who complies with § 48-66-102(a) to inspect and copy any records required by that subsection to be available for inspection, a court of record having equity jurisdiction in the county where the corporation's principal office (or, if none in this state, its registered office) is located may summarily order inspection and copying of the records demanded at the corporation's expense upon application of the member.

(b) If a corporation does not within a reasonable time allow a member to inspect and copy any other record, the member who complies with § 48-66-102(b) and (c) may apply to a court of record having equity jurisdiction in the county where the corporation's principal office (or, if none in this state, its registered office) is located for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection (b) on an expedited basis.

(c) If the court orders inspection and copying of the records demanded, it shall also order the corporation to pay the member's costs (including reasonable counsel fees) incurred to obtain the order unless the corporation proves that it refused inspection in good faith because it had a reasonable basis for doubt about the right of the member to inspect the records demanded.

(d) If the court orders inspection and copying of the records demanded, it may impose reasonable restrictions on the use or distribution of the records by the demanding member.

HISTORY: Acts 1987, ch. 242, § 16.04.

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Tenn. Code Ann. § 48-66-105 (2013)

48-66-105. Limitations on use of membership list.

Without the consent of the board, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the foregoing, without the consent of the board a membership list or any part thereof may not be:

(1) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the corporation;

(2) Used for any commercial purpose; or

(3) Given or sold to or purchased by any person.

HISTORY: Acts 1987, ch. 242, § 16.05.