

PART VIII

BY-LAWS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION AS AMENDED AS OF NOVEMBER 30, 2017

ARTICLE I

THE CORPORATION

Section 1. Name of the Corporation. The name of the corporation shall be Knoxville's Community Development Corporation (Corporation).

Section 2. Seal of Corporation. The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its organization. No contract of the Corporation shall require the seal of the Corporation in order to be an enforceable obligation of the Corporation.

Section 3. Offices of the Corporation. The offices of the Corporation shall be located at 901 Broadway, NE, Knoxville, Tennessee 37917, but the Corporation may change its offices or may hold its meetings at such other places as it may designate.

ARTICLE II

BOARD OF COMMISSIONERS

Section 1. Management and Control. The property, affairs, business and policies of the Corporation shall be under the management, control, and direction of the Board of Commissioners of the Corporation, herein sometimes called the "Board," appointed, qualified and acting under the provisions of the Housing Authorities Law of Tennessee and amendments thereto.

Section 2. Delegation of Duties. The Board may delegate to one or more of its members, or to one or more of its officers or department heads of the Corporation such powers or duties as it may deem proper and as is permitted by applicable law.

Section 3. Compensation and Expenses. A Commissioner shall receive no compensation for services, but shall be entitled to reimbursement for necessary expenses, including travel expenses, incurred in the discharge of his or her duties as a Commissioner.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a Chair, a Vice Chair, a Secretary (who shall also be the Executive Director), a Treasurer, and such other officers as the Board may deem necessary and whose duties shall be prescribed by the Board.

Section 2. Chair. The Chair shall preside at all meetings of the Board and shall submit such recommendations and information as the Chair may consider proper concerning the property, affairs, business and policy of the Corporation. The Chair shall sign the minutes of each board meeting and is empowered to sign or countersign all contracts, deeds, and other instruments authorized to be executed by or on behalf of the Corporation. The Chair shall be a member of the Board and shall be elected annually by the Board.

Section 3. Vice Chair. The Vice Chair shall be vested with the powers and shall perform the duties of the Chair in the absence or incapacity of the Chair; and in case of resignation, death, or failure to act of the Chair, the Vice Chair shall be vested with such powers and shall perform such duties as are vested in and imposed upon the Chair until such time as a new Chair shall be selected, qualified and acts. The Vice Chair shall be a member of the Board and shall be elected annually by the Board.

Section 4. Treasurer. The Treasurer shall have the care and custody of all funds of the corporation and shall deposit the same in the name of the Corporation in such bank or banks as the Board may select. The Treasurer shall keep regular books of account showing receipts and disbursements and all other records necessary and proper to reflect the financial transaction and condition of the corporation. The Treasurer shall submit the following reports in a timely manner: (i) a financial summary report of all operating programs, at least quarterly; and (ii) the Annual Financial Reports for all programs. The Treasurer may delegate any part of the performance of these duties to either the Executive Director or the Chief Financial Officer as designated by the Board.

Section 5. Secretary. The Secretary of the Corporation shall also be the Executive Director of the Corporation. No member of the Board shall be eligible to occupy this position. The Secretary shall perform such duties as may be designated by the Board and in the absence of any specific designation of duties, the appointee shall act as Secretary of the meetings of the Board and shall record all votes and shall keep a record of the proceedings of the Board in the Minute Book of the Corporation kept for that purpose. The record of the proceedings of each meeting shall be signed by the Secretary. The Secretary shall have the power to attest, sign or countersign and to affix the seal of the Corporation to all contracts, deeds and other instruments authorized to be executed by and on behalf of the Corporation. The Secretary shall keep the records of the Corporation and shall keep in safe custody the seal of the Corporation.

Section 6. Executive Director. The Executive Director shall be the Chief Executive Officer of the Corporation and shall also serve as Secretary of the Corporation. No member of the Board shall be eligible to occupy the position of Executive Director. The Executive Director shall have general supervision over all the business and affairs of the Corporation. The Executive Director is charged with the development, operation and management of all programs and activities of the Corporation. Subject to the provisions of a procurement policy to be approved by the Board, the Executive Director shall have general supervision of all procurement. The Executive Director is empowered to sign or countersign all contracts, deeds, and other instruments authorized to be executed by or on behalf of the Corporation. The Executive Director is empowered to employ within budgetary limitations all employees of the Corporation. The Executive Director is also empowered to terminate such employees.

The Executive Director shall be appointed by the Board and in the absence of a definite term of office or of a contract of employment shall serve at the pleasure of the Board.

Section 7. Bonds. The Corporation shall furnish the Treasurer, the Secretary, and all employees of the Corporation who collect rent or who handle or are responsible for funds of the Corporation with a fidelity bond in amounts and containing provisions that may be designated by and acceptable to the Board. The Board may also require a fidelity bond be provided for any person vested with any power or charged with the performance of any duties on behalf of the Corporation.

Section 8. Election or Appointment. The Chair, Vice Chair and Treasurer shall be elected by and from the Board. The Secretary and any other officers provided in this Article III, Section 1 deemed necessary by the Board shall serve at the pleasure of the Board. The Chair, Vice Chair, Treasurer and Secretary shall be elected at the annual meeting for a term of one year or until the successors are elected, qualified and act. The Board shall determine the qualifications, duties and compensation of the Secretary/Executive Director.

Section 9. Vacancies. Any vacancy in the office of Chair, Vice Chair or Treasurer shall be filled by the Board from its membership for the unexpired term. In the event of a vacancy in the office of Secretary/Executive Director, the Board shall designate someone to act in this capacity until a Secretary/Executive Director has been employed.

Section 10. Nomination Process. At the regular meeting of the Board preceding the annual meeting, the Board shall select a nominating committee consisting of three members of the Board to propose officers to be elected at the annual meeting. The nominating committee will meet as needed prior to the annual meeting to prepare its recommendations for the election of officers and may meet with prospective officers. Notice of meetings of the nominating committee will be given in the same manner as are meetings of the Board as provided herein. At least five days prior the annual meeting, the nominating committee shall submit its recommendations to the Executive Director, who shall provide the committee's recommendations to the entire Board. The nominating committee shall not recommend any of its own members to serve as Chair.

ARTICLE IV

OTHER PERSONNEL

Section 1. Employment and Compensation. The Corporation may employ such counsel, technical experts, officers, agents and employees, permanent and temporary as it may deem proper and shall determine their qualifications, duties, compensations, terms and conditions of employment. Within budget limitations, the Executive Director is empowered to employ and discharge all employees of the Corporation. The Secretary/Executive Director shall be employed by the Board.

ARTICLE V

IMMUNITY OF COMMISSIONERS; INDEMNIFICATION OF COMMISSIONERS, OFFICERS AND EMPLOYEES

Section 1. Immunities of Commissioners. The Tennessee General Assembly has recognized that the services of governmental boards, commissions, and authorities are critical to the effective operation of government and that their members should be able to make decisions without fear of incurring personal liability as a matter of public policy. In support of this public policy, immunity is afforded to the Commissioners pursuant to Tenn. Code Ann. Section 29-20-201 and/or Tenn. Code Ann. Section 48-58-601(c) and (d)(8), which immunity shall be inapplicable in the case of gross, willful or wanton negligence.

Section 2. Mandatory Indemnification of Directors and Officers. To the maximum extent permitted by the provisions of Tenn. Code Ann. Sections 48-58-501, et seq., and any other applicable law, as amended from time to time (provided, however, that if an amendment to such section or other applicable law 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 commissioner or officer of the Corporation, or to such person's 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 Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

- (a) The Proceeding was instituted by reason of the fact that such person is or was a commissioner or officer of the Corporation; and
- (b) The conduct of the commissioner or officer was in good faith, and reasonably believed (i) in the case of conduct in official capacity with the Corporation, that the conduct was in its best interest; (ii) in all other cases, the conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, there was no reasonable cause to believe the 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 3. Permissive Indemnification of Employees and Agents. The Corporation may, to the maximum extent permitted by the provisions of Tenn. Code Ann. Sections 48-58-501, et seq., or other laws applicable to the Corporation, as amended from time to time (provided, however, that if an amendment to such Sections or any other applicable law 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), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 2 of this Article V, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 2(b) of this Article V.

Section 4. Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections 2 and 3 above are contractual between the Corporation and the person being indemnified, and his 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 the Charter, by a resolution of the Board of Commissioners, by these By-Laws, or by the purchase and maintenance by the Corporation of insurance on behalf of a commissioner, officer, employee or agent of the Corporation, all of which means of indemnification and advancement of expenses are hereby specifically authorized to the extent permitted by law.

Section 5. Non-Limiting Application. The provisions of this Article V shall not limit the power of the Corporation to pay or reimburse expenses incurred by a commissioner, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he has not been made a named defendant or respondent to the Proceeding.

Section 6. Prohibited Indemnification. Notwithstanding any other provision of this Article VI, the Corporation shall not indemnify or advance expenses to or on behalf of any commissioner, 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 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 Tenn. Code Ann.; 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 the official capacity, which adjudged liable on the basis that personal benefit was improperly received.

Section 7. Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article V, 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 VI

FINANCE

Section 1. Deposits and Withdrawals. All monies, funds and receipts of the Corporation shall be deposited immediately in such bank or banks as the Board may from time to time designate.

Disbursements from any applicable bank account, such as the Unlimited Revolving Fund, shall comply with the following requirements:

- (a) All checks shall require two signatures of two separate persons.
- (b) All checks shall be signed by the Chair or designee and the Executive Director or designee.
- (c) In lieu of manual signatures, the check-writing machine with facsimile signatures of the above designated persons may be used.
- (d) Electronic forms of payment, such as wire transfers, ACH and P-cards, may be used for withdrawal transactions. The Executive Director and the Chief Financial Officer or such other officer approved by the Board or their respective designees shall provide approval of any such transaction provided that two persons shall approve any such transaction.

ARTICLE VII

MEETINGS

Section 1. Place. Meetings of the Board shall be held at the office of the Corporation or at such other place or places as may be designated by formal action of the Board.

Section 2. Notice of Meetings. At least two (2) full days prior to the date of any annual, regular or special meeting, a formal notice of said meeting, together with an agenda for such meeting,

shall be delivered to each Board member of the Corporation or be sent by electronic mail, or such notice and agenda may be mailed at least five (5) full days prior to the date of any such meeting to the business or home address of each Board member of the Corporation. Such notice shall comply in all respects to all relevant provisions of the "Tennessee Open Meetings Act," as amended. Such notice and agenda shall also be posted on the Corporation's website.

Section 3. Annual Meeting. The annual meeting of the Board shall be held on the last Thursday of May of each year immediately preceding the regular meeting at the office of the Corporation or at such other time or place as may be designated by formal action of the Board.

Section 4. Regular Meetings. The regular monthly meeting of the Board shall be held on the last Thursday of each month at the office of the Corporation or at such other time or place as may be designated by formal action of the Board.

Section 5. Special Meetings. The Chair or Vice Chair of the Corporation may, when it is deemed expedient, and shall upon written request of two Commissioners or upon the written request of the Executive Director, call a special meeting of the Corporation for the purpose of transacting the business designated in the call. At such meeting, only such business designated in the call may be transacted.

Section 6. Quorum. At each annual, regular or special meeting of the Corporation, a majority of the Commissioners then qualified to act shall constitute a quorum of the Corporation for the purpose of conducting its business and exercising the powers and for all other purposes provided that any number may meet and adjourn or recess to some other time or until a quorum is obtained.

Section 7. Voting. Upon determination by the Chair that the required quorum of the Board is present, a majority vote of the Board members present shall be necessary to pass any resolution or take any official action. The Chair shall be a voting member of the Board for all purposes. The voting on all questions coming before the Board shall be by voice vote. If a roll call vote is requested by any Board member, the ayes and nays shall be entered upon the minutes of the meeting.

Section 8. Resolutions. A resolution adopted at any regular meeting shall be in writing and shall be entered in the minute book of the Corporation and the action of the Board thereon shall be shown in the body of the minute book. All actions taken at a special meeting shall also be entered in the minute book of the Corporation.

Section 9. Meeting Policies. The Board may adopt such policies regarding the procedures and conduct for the Board's meetings as the Board deems appropriate, including, without limitation, policies establishing time limitations and procedures regarding Board discussion and public comment.

Section 10. Committees. In addition to the nominating committee, the Board may appoint by resolution such committees of its members as the Board deems appropriate. All committees appointed by the Board of Commissioners shall have and may exercise powers and authorities as the Board of Commissioners may delegate to such committee or committees by resolution. All committees appointed by the Board of Commissioners shall keep and maintain regular minutes of their meetings and proceedings and shall report the same to the Board of Commissioners upon request. The members of each committee shall be appointed by the Chair and shall include a Chair and Vice Chair of such committee. The Chair shall be an ex officio member of each committee, unless specifically excluded in the resolution establishing the committee.

ARTICLE VIII

PURCHASES

Section 1. Purchasing Procedure. The Executive Director, or designee, shall make purchases of materials, supplies and equipment in accordance with the provisions of the procurement policy of the Corporation to be approved by the Board.

ARTICLE IX

AMENDMENTS

Section 1. Amendments to By-Laws. The By-Laws of the Corporation may be amended at any regular meeting by the vote of at least a majority of the qualified Commissioners of the Board, but no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all of the Commissioners of the Corporation.

ARTICLE X

Miscellaneous

Section 1. Repeal of Existing By-Laws. All By-Laws and amendments thereto heretofore adopted and in force and effect are repealed as of the effective date of these By-Laws in full and shall be in no force and effect from and after said date; provided, however, the repeal of prior By-Laws and amendments thereto shall in no wise affect the validity, legality and enforceability of any of the acts and proceedings taken under prior By-Laws and amendments thereto when in force and effect.

Section 2. Severability. Any inconsistency of these By-Laws with federal or state law, or any finding that any portion of these By-Laws is inconsistent with law or is unconstitutional shall affect only that portion of the By-Laws found to be illegal or unconstitutional. Any unaffected portion of these By-Laws shall remain in effect until properly amended.