

**AMENDED AND RESTATED**

**BY-LAWS OF THE**

**TENNESSEE HOUSING DEVELOPMENT AGENCY**

**Revised January 16, 1997, May 14, 2013, and January 30, 2014**

**ARTICLE I - THE AGENCY**

**SECTION 1.1---Description.** The Tennessee Housing Development Agency ("THDA") is a political subdivision of the State of Tennessee created by and having the politic and corporate powers and functions set forth in the Tennessee Housing Development Agency Act, T.C.A. Section 13-23-101 et seq., as amended from time to time (the "Act"). The board of directors of THDA (the "Board") is responsible for carrying out the powers of THDA as provided by the Act.

**SECTION 1.2---Membership.** The members of the Board (a "Director" or the "Directors") shall be selected and shall hold office as provided in the Act. Any Director appointed by the Governor who is absent from four meetings during any twelve month period shall cease to be a Director upon certification to the Governor as provided in the Act.

**SECTION 1.3---Offices.** The principal office and corporate office of THDA shall be located in the City of Nashville, State of Tennessee. THDA may also have other such offices at such places within the State of Tennessee as the Board may designate from time to time by Resolution.

**SECTION 1.4---Seal.** The official seal of THDA shall be in the form of two concentric circles between which shall be inscribed the words "Established: 1973". Such seal also may include such other insignia as may be approved by Resolution of the Board. Said seal may be used by causing it or a facsimile thereof to be impressed on, affixed to or otherwise reproduced on any document, instrument or other writing.

**SECTION 1.5---Fiscal Year.** The THDA fiscal year shall begin on the first day of July in each calendar year and shall end at the close of business on the thirtieth day of June in the following calendar year.

## **ARTICLE II - OFFICERS**

**SECTION 2.1---Appointment.** The officers of THDA shall be the Chairman, who shall be a Director and shall be designated as Chairman by the Governor as provided in the Act; the Vice-Chairman, who shall be a Director selected by the Board as provided in the Act; the Executive Director, who shall be appointed by the Board as provided in the Act; the Secretary, who may be the same as the Executive Director and shall be appointed by the Board as provided by the Act; the Treasurer, who shall be the Treasurer of the State of Tennessee; and such other officers as may from time to time be appointed by Resolution of the Board.

**SECTION 2.2---Terms of Office.** The Chairman shall serve as such at the pleasure of the Governor as provided in the Act. The State Treasurer shall serve as Treasurer for THDA by virtue of incumbency in such office. The other officers of THDA shall hold office at the pleasure of the Board and may be removed at any time by a Resolution of the Board.

**SECTION 2.3---Chairman.** The Chairman shall preside at all Meetings of the Board and shall have such other powers and duties pertaining to the office of Chairman as are prescribed by law or in these by-laws. The Chairman shall have the same voting privilege as any other Director. The Chairman shall serve as such without salary.

**SECTION 2.4---Vice-Chairman.** The Vice-Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman. Should the office of Chairman become vacant, the Vice-Chairman shall perform the duties of the Chairman until such time as the Governor shall appoint a new Chairman.

**SECTION 2.5---Executive Director.**

a.) The Executive Director shall be selected by the Board and shall be the chief executive officer of THDA. Subject to the policies established by the Board, the Executive Director shall have general responsibility for the conduct of the affairs of THDA, including the initiation, planning, and carrying out of the projects, programs, and other activities of THDA pursuant to the Act. The Executive Director also shall have such other powers and duties pertaining to the office of Executive Director as are prescribed by law or in these by-laws or as may be assigned to the Executive Director from time to time by the Board.

b.) The Executive Director shall keep full and accurate records and accounts of all receipts, disbursements, credits, assets, liabilities and general financial transactions of THDA. The Executive Director shall endorse for collection or deposit to the credit of THDA all bills, notes, checks and other negotiable instruments of THDA and deposit the same with all funds of THDA in such accounts in such depositories and safe deposits as may be designated by THDA. The Executive Director shall disburse the funds of THDA as may be ordered by the general or specific instructions of THDA. Operating funds of THDA, on deposit in the State Treasury, shall be disbursed in accordance with provisions required by law for State agencies. The Executive Director is hereby empowered to authorize and approve on behalf of THDA any expenditures and disbursement in payment or reimbursement of personnel, travel, office space costs and rental, and other direct costs and expenses of operation and administration as may be incurred by THDA from time to time, in such manner as contained in the Budget.

c.) The Executive Director shall report all revenues and expenditures to the Board at such times as the Board may require. The Executive Director shall annually prepare and submit to the Board following the close of each fiscal year a full and complete report or statement of the existing condition of the funds and assets of THDA for such year.

d.) The Executive Director is authorized and empowered to execute all program related contracts and documents of THDA. The Executive Director is authorized and empowered to execute contracts and documents related to the administrative operation of THDA, in accordance with provisions required by law for State agencies. Except as otherwise provided by law or Resolution of the Board, the Executive Director shall be empowered to execute on behalf of THDA all documents or contracts, except as provided in Section 6.5 hereinafter.

d.) The Executive Director is authorized to delegate the authority in this Section 2.5d to other THDA staff members at the Executive Director's sole discretion.

e.) The compensation of the Executive Director shall be determined by the Board in such a manner as provided in the approved THDA budget.

**SECTION 2.6---Secretary.** The Secretary shall be the Executive Director unless and until the Board determines otherwise. The Secretary shall serve at the will of the Board and need not be a member of the Board. The Secretary shall record all votes; shall maintain the Minute Books of the Meetings or other Proceedings of THDA, all other books, documents, records, and papers of THDA; and shall maintain custody of the official seal of THDA and shall affix the seal, attested by the signature of the Secretary, to such instruments as may require the same. The Secretary shall give notice of meetings and shall have such other powers and duties pertaining to the office of Secretary as is prescribed by law, by these by-laws or by Resolution of the Board.

**SECTION 2.7---Treasurer.** The Treasurer shall be the Treasurer of the State of Tennessee. The Treasurer shall invest the funds of THDA, under the guidelines of the investment policy established by the Board and as provided by law. The Treasurer shall report on investments performance to the Bond Finance Committee of the Board at least quarterly. The Treasurer may delegate all or a portion of these duties and responsibilities to the Executive Director.

**SECTION 2.8---Review and Audit.** The books, accounts, and records of THDA shall be subject to inspection by Directors at any time. Such books, accounts, and records shall also be subject to audit by the Comptroller of the Treasury of the State of Tennessee or the Comptroller's designee, at any time deemed necessary or appropriate by the Comptroller. The Division of State Audit in the Office of the Comptroller shall serve as THDA's outside auditor and shall conduct an annual audit to be completed as agreed between THDA and the Office of the Comptroller, but in any event, in sufficient time so that THDA can meet its continuing disclosure obligations and other reporting obligations under the various programs administered by THDA. The Comptroller will be requested to conduct such special audits at such other times and for such other periods as may be deemed necessary.

**SECTION 2.9---Election.** The Vice-Chairman shall be elected at the Annual Meeting of the Board from among its Directors and shall hold office until the next Annual Meeting or until a successor is elected and qualified.

**SECTION 2.10---Vacancies.** Should the office of Chairman become vacant, the Vice-Chairman shall serve as Chairman until the Governor appoints a new Chairman as provided in the Act. Should the office of Vice-Chairman become vacant, the Board shall elect a successor from its membership at the next Regular Meeting, and such election shall be for the unexpired term of such office. Should the office of Executive Director, Secretary, or other office, not herein described, become vacant, the Board shall appoint a successor and may appoint an interim Executive Director, Secretary or other officer until such successor is duly selected and have assumed their respective duties.

**SECTION 2.11---Assistant Secretaries.** The Board may appoint one or more Assistant Secretaries who shall, in the absence of the Secretary, perform the duties and exercise such powers of the Secretary and such other duties as THDA shall from time to time prescribe.

**SECTION 2.12---Absence of Chairman and Vice-Chairman.** Whenever the Chairman and Vice-Chairman are unable to attend a Meeting of the Board, the Directors present at such Meeting shall designate a temporary Chairman from among the Directors present, who shall preside at such Meeting.

### **ARTICLE III - BUDGET AND PERSONNEL**

**SECTION 3.1---Budget.** Subject to agreements with bond holders or note holders, the annual budget of THDA shall be prepared in accordance with Chapter 4, Title 9, of the Tennessee Code Annotated.

**SECTION 3.2---Personnel.**

- a.) THDA shall employ and retain competent personnel necessary to exercise its powers and duties and to carry out its programs. The selection and compensation of all personnel, other than the Executive Director and the Director of the Division of Internal Audit, shall be determined by the Executive Director in accordance with the annual approved THDA Budget and in accordance with THDA personnel policies.
- b.) The Executive Director shall be selected and compensated as provided in Section 2.5 above. The Audit and Budget Committee shall annually conduct a performance review process for the Executive Director and make recommendations to the Board regarding

the performance review and the compensation of the Executive Director.

c.) The Director of the Division of Internal Audit shall be selected and have compensation set by the Audit and Budget Committee of the Board.

#### **ARTICLE IV - MEETINGS**

**SECTION 4.1---Annual Meeting.** The annual meeting of the Board shall be held at the time of the regular meeting in November of each year, or on such earlier or later date as may be designated in a Notice as provided herein (the "Annual Meeting").

**SECTION 4.2---Regular Meeting.** Upon Notice as provided in Section 4.5, regular meetings of the Board for the transaction of all business that may come before the Board may be held monthly or may be held every other month (the "Regular Meeting" or "Regular Meetings") and shall be held at such time and on such day as shall be specified by a Notice at the principal office of THDA or such other place as shall be designated in a Notice as provided herein. A Regular Meeting may be held on such other date, at such other hour or place, as may be specified in the Notice.

**SECTION 4.3---Special Meeting.** Upon Notice to each Director, special meetings of the Board may be called at any time by the Chairman or by any five Directors (a "Special Meeting" or "Special Meetings"). Regular Meetings, Annual Meetings and Special Meetings are referred to herein, collectively, as "Meeting" or "Meetings".

**SECTION 4.4---Adjournment.** The Annual Meeting and any Regular Meeting of the Board may be adjourned to such date, hour and place as may at such Meeting be determined by the Board. In the event that a quorum is not present at such Meeting and cannot be obtained within a reasonable time, such Annual or Regular Meeting shall be adjourned to such date, hour and place as shall then be determined and announced by the Chairman and Notice of such adjourned Meeting shall be given to those Directors not present.

**SECTION 4.5---Notice of Meetings.** Whenever Notice of any Regular, adjourned or Special Meeting is required to be given hereunder to any Director, such Notice shall be given in one of the following ways: (1) in writing by mail, postage prepaid, at least five days before such

Meeting; or (2) by facsimile transmission or delivery at least two days before such Meeting; or (3) by e-mail at least two days before such Meeting. Any such Notice shall be addressed to such Director at such address as appears on the books of THDA or, in the absence of such address, to an Ex-Officio Director at the Ex-Officio Director's official state office and to an appointed Director at the Director's residence or usual place of business. A Notice shall be deemed given when it is mailed or when it is sent by facsimile transmission or e-mail, as the case may be.

**SECTION 4.6---Waiver of Notice.** Notice of any Meeting need not be given to a Director if waived in writing by the Director either before or after such Meeting, or if the Director shall be present at such Meeting. No Notice need be given of any Meeting if all Directors then in office shall be present thereat. Notice of an adjourned Meeting need not be given to any Director present at the time of adjournment. Notwithstanding the provisions of Article IV regarding notice, notice of meetings shall be provided as required by applicable law regarding public notice.

**SECTION 4.7---Quorum and Voting.** A majority of the members of the Board shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Board. For the purpose of determining a quorum and the number of affirmative votes at a Meeting, persons who have been designated by Ex-Officio Directors to attend meetings and exercise the right to vote in their absence shall be considered Directors, provided such designation is in accordance with T.C.A. Section 13-23-106, as amended. Action taken at a Meeting duly called and held shall require the affirmative vote of at least eight (8) Directors. A majority of the Directors present at any meeting, whether or not constituting a quorum, may adjourn the meeting to another time and place. The Executive Director shall be entitled to attend and participate, without vote, in all Meetings. The Board may direct, by majority vote of those Directors present or, by request of the Chairman, that the Executive Director or any other member of the staff of THDA be excused from any Meeting or portion thereof of the Board or any Committee and the Executive Director and any staff member of whom such request is made shall immediately leave the Meeting or not attend such Meeting as requested above.

**SECTION 4.8---Manner of Voting.** The voting on all questions at a Meeting shall be by voice vote, unless a Director requests a roll call, in which case the yeas and nays shall be entered upon the Minutes of each Meeting. The voting on all questions at a Meeting shall be by roll call vote in the event any Director participates by electronic means.

**SECTION 4.9---Resolutions and Effective Date.** Resolutions may be made orally at any Meeting or may be in writing and shall, in either case, be contained in the Minute Books of THDA, which shall be maintained by the Secretary. Resolutions shall become effective on the day of passage, upon adjournment of the Meeting, unless otherwise stated in the Resolution.

**SECTION 4.10---Procedure at Meetings.** Robert's Rules of Order shall govern the conduct of all Meetings of the Board. If there exists a conflict between these by-laws and Robert's Rules of Order, these by-laws shall prevail.

**SECTION 4.11---Participation by Electronic or Other Means.** Directors may participate in Meetings of the Board, or any committee thereof, by or conduct Meetings through the use of any means of communication, electronic or otherwise, by which all Directors participating may simultaneously hear each other and speak to each other during the Meeting. All participation for purposes of constituting a quorum of the Board shall meet the requirements of T.C.A. Section 8-44-108, as amended.

#### **ARTICLE V - BY-LAWS**

**SECTION 5.1---Amendments.** These by-laws may be amended, supplemented or repealed by an affirmative vote of eight (8) Directors at any Meeting.

#### **ARTICLE VI - MISCELLANEOUS PROVISIONS**

**SECTION 6.1---Indemnification.** THDA shall, to the fullest extent permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceedings, by reason of the fact that such person, their testator or intestate, is or was a Director or an officer or employee of THDA, against judgments, fines, amounts paid in settlement and reasonable expenses including attorney's fees, actually and necessarily incurred as a result of such action or proceeding (including any appeal therein); provided that (a) such Director, officer, or employee acted in good faith for a purpose which such Director, officer or employee reasonably believed to be in the best interests of THDA and (b) it is not determined



in any such action or proceeding that such Director, officer, or employee acted with willful or gross negligence, or (c) in any criminal actions or proceedings, such Director, officer or employee had no reasonable cause to believe that the conduct complained of was unlawful.

**SECTION 6.2---Bonds.** Officers or employees of THDA as may be required by law or by these by-laws or as the Board may, by Resolution, direct from time to time shall give bond in such amount and with surety or sureties as the Board may require.

**SECTION 6.3---Committees.** The Board may, by Resolution, create committees of the Board and such committees shall have the duties prescribed by such Resolution or Resolutions. The membership of such committees shall be determined by the Chairman.

**SECTION 6.4---Payment of Money.** All bills, notes, checks, drafts, acceptances or other instruments, and orders for the payment or withdrawal of any and all monies, credits, items and property at any time held by any depository for THDA's bankable papers and funds, shall be signed or countersigned in such manner as from time to time may be prescribed by Resolution of the Board.

**SECTION 6.5---Obligations of THDA.** The obligations of THDA as defined in T.C.A. Section 13-23- 103(14), shall be signed by the Chairman under the seal of the THDA, attested by the Secretary. In the absence or incapacity of the Chairman, the obligations of THDA as defined in T.C.A. Section 13-23-103(14), shall be signed by the Vice-Chairman under the seal of the THDA, attested by the Secretary.