

BYLAWS
OF
CLEVELAND LAND BANK AUTHORITY

A nonprofit corporation organized and existing under the laws of the State of Tennessee.

Article I – Name

The name of this corporation shall be Cleveland Land Bank Authority.

Article II – Purpose

Cleveland Land Bank Authority's purpose is to do business as a land bank as prescribed by the Land Bank Program, codified in Tennessee Code Annotated Section 13-30-101, et seq., by returning nonrevenue generating, nontax producing, or blighted property in the City of Cleveland to a productive use in order to provide market and affordable housing, public space, new industry and jobs.

Article III – Offices

The principal office of the corporation in the State of Tennessee shall be located at 160 2nd St. NE Cleveland TN, 37311. The corporation may have such other offices in the City of Cleveland, Tennessee, as the board of directors may designate or as the business of the corporation may require from time to time.

Article IV – Corporation Board of Directors

Section 1. Corporation Board of Directors. The corporation shall have a board of directors in which all powers of the corporation shall be vested. The number of directors of the corporation shall be no less than five (5), all of whom shall be duly qualified electors of and taxpayers in the City of Cleveland. The directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in and about the performance of their duties. One (1) member shall be a member of the City Council and preference may be given for persons with expertise in the fields of banking (including financing and property acquisitions); real estate (including marketing, appraisals, and assessments); and law (especially those with an interest in property law). If persons with such fields of expertise are not available, consideration should be given to persons with experience in residential construction, renovation, and/or rehabilitation; knowledge of the historic neighborhood stock, individual neighborhoods and community assets; knowledge in land bank functions; and experience in non-profit organizations; or if no individuals meet the aforementioned criteria, Council may appoint persons with the best attributable qualifications.

The term of office for all directors shall be three (3) years. Except for the initial directors whose terms shall be as follows: Bill Estes and Ken Webb shall serve a two (2) year term; Bill Martin, Julie Martinez, and Jarrod Casteel shall serve a three (3) year term; provided, however, that if at the expiration of any term of office of any director, a successor has not been appointed, the director whose term of office has expired shall continue to hold office until the director's successor is appointed. If a vacancy occurs in the position of director, the vacancy shall be filled in the same manner as the original term for the remainder of the unexpired term.

Section 2. Removal. Any director may be removed by his/her appointing authority. A director may be removed upon missing three (3) consecutive meetings of the board without good cause. Any person removed shall be ineligible for reappointment to the board, unless such reappointment is confirmed unanimously by the board.

Section 3. Removal by Citizen Petition. Any citizen or group of citizens of the City of Cleveland upon collection of a petition having a clearly worded purpose, of at least twenty (20) verified signatures of qualified voters registered to vote in the City of Cleveland may present to the Cleveland City Council a resolution calling for the removal of any director of the board. The Cleveland City Council shall have the power, upon timely and due consideration of the citizen petition and a response from the board, to remove or retain the cited director by a simple majority vote. Removal from the board of directors of any public official shall not, in and of itself, impair the public official in that person's other duties.

Article V – Nonprofit Status and Exempt Activities Limitation.

Section 1. Nonprofit Legal Status. Cleveland Land Bank Authority is a Tennessee nonprofit public benefit corporation recognized as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.

Section 2. Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or be distributable to any director, officer, or other private person, except that the corporation shall be authorized to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

Article VI – Meetings; Voting; Quorum; Procedure

Section 1. Annual Meeting. The board of directors shall hold annual meetings at 160 2nd St. NE Cleveland, TN, on the first Friday of July if not a legal holiday, but if a legal holiday, then on the business day next following, as the same may be amended by resolution of the board and properly published to the public.

Section 2. Special Meetings. Special meetings of the board of directors may be held at any time, and the place and hour shall be fixed in the notice. Such meetings may be called by the President or at the written request of any three (3) members of the board. The meetings may be held for any purpose or purposes, unless otherwise prescribed by statute. Calls for or notices of special meetings shall specify the object of such meeting, and only objects so specified shall be considered.

Section 3. Regular Meetings. Regular meetings of the board of directors shall be held on the first (1st) Friday of each month, provided the frequency and designated time for such meetings may be amended by resolution of the board, and properly published to the public. Regular meetings shall be held at a place of meeting as set forth in Section 4 below.

Section 4. Place of Meeting. The board of directors may designate any place within Cleveland, Tennessee, as a place of meeting for any annual meeting or for any special meeting called by the board. If no designation is made, the place of meeting shall be the registered office of the corporation, designated in Article I herein.

Section 5. Notice of Meeting. At the first meeting of each year, directors will be given notice of the meeting schedule for the full calendar year. Written or printed notice stating the place, date, and hour of the meeting, and in case of a special meeting the purpose or purposes for which the meeting is called, shall be given not less than three (3) days before the meeting, either personally or by mail, by or at the direction of the President or the Secretary, or the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the board member at his/her address, with postage thereon prepaid.

Section 6. Voting. Only directors of the board shall be entitled to vote at the regular and special meetings of the board. At all meetings, each director shall be entitled to one (1) vote. All voting shall be open, and vote by proxy shall not be permitted.

Section 7. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of any business. When a quorum is present, a majority of those directors present in person shall decide any question before the board. However, no action of the board of directors shall be authorized on the following matters unless approved by a majority of the total membership of the board of directors:

- (1) Adoption of bylaws and other rules and regulations for conduct of the business of the corporation;
- (2) Hiring or firing of any employee or contractor of the corporation. This function may, by majority vote, be delegated by the Board to a specified officer or committee of the corporation, under such terms and conditions, and to the extent that the board may specify;
- (3) The incurring of debt;
- (4) Adoption or amendment of the annual budget; and
- (5) Sale, lease, encumbrance, or alienation of real property, improvements or personal property with a value of more than fifty thousand dollars (\$50,000).

Section 8. Meetings Public. All meetings of the board of directors shall be open to the public as provided by Tennessee Code Annotated Section 8-44-101, et seq.

Section 9. Parliamentary Procedure. The board of directors shall use the most recent Robert's Rules of Order to determine parliamentary procedures unless specific procedures to the contrary are established by the board. The board may elect a parliamentarian from its membership upon a board motion and majority vote to that effect.

Article VII - Officers

Section 1. Election of Officers. The members of the board of directors shall select annually from among themselves a president, a treasurer, a secretary, and such other officers as the board may deem necessary.

Section 2. Election and Term of Office. The board of directors shall elect officers annually. Each officer shall hold office until a successor shall have been duly elected and shall have qualified, or until death, resignation or removal in the manner hereafter provided.

Section 3. Removal. Any officer elected by the board of directors may be removed by the board whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of that term.

Section 5. Chairman. The Chairman shall be the chief executive officer of the corporation and shall, in general, supervise and control all the business and affairs of the corporation. The Chairman shall preside at all meetings of the board of directors. The Chairman may sign, with the Vice-Chairman or any other proper officer of the corporation authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these

Bylaws or by statute to some other officer or agent of the corporation and in general the Chairman shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the board of directors from time to time.

Section 6. Vice-Chairman. In the absence or unavailability of the Chairman, the Vice-Chairman shall call the meetings to order and serve as presiding officer. The Vice-Chairman shall have and exercise all powers and duties of the Chairman, as necessitated or required by the board or Chairman, including but not limited to, signing deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed; opening and maintaining a bank account on behalf of the corporation; and in general perform all duties incident to the office of Vice-Chairman and such other duties as from time to time may be assigned by the Chairman or the board.

Section 7. Secretary. The Secretary, or the Secretary's designated city staff-member, shall cause the following to occur during their term: (i) keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws as required by law; (iii) be custodian of the corporate records of the corporation; (iv) keep a register of the address of each director of the board which shall be furnished to the Secretary by such director; (v) 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 Chairman or the board.

Section 8. Financial Operations. The city shall assign the necessary staff support to oversee the financial condition and affairs of the corporation. They shall oversee and keep the board of directors informed of the financial condition of the corporation, and of audit or financial review results. They shall support in budget preparation, and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the corporation, are made available to the board of directors on a timely basis, or as may be required by the board. They shall also perform such other related duties as from time to time may be assigned by the Chairman or the board.

Article VIII- Powers of the Board

The board of directors shall have the power to perform all functions set forth in Tennessee Code Annotated Section 13-30-109.

Article IX – Adoption of Policies and Procedures

The board of directors shall adopt policies and procedures in accordance with and pursuant to the laws of the State of Tennessee, Tennessee Code Annotated Section 13-30-101, et seq., the Tennessee Constitution, the Articles of Incorporation, these Bylaws and the public purposes set forth therein.

Article X- Contracts, Bonds, Loans, Mortgages, Leases, Checks, and Deposits

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract, and other instruments necessary or convenient to the exercise of the powers to acquire, hold and dispose of real property held in the land bank and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loan shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in the name of the corporation without the concurrence of the Cleveland City Council and a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Article XI – Real property; Acquisition; Maintenance; Location; Conveyance

Section 1. Real property. The corporation may acquire real property or interests in real property for the land bank by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the corporation considers proper.

Section 2. Acquisition. The corporation may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts or land contracts, and may accept transfers from municipalities or counties upon such terms and conditions as agreed to by the corporation.

Section 3. Maintenance. The corporation shall maintain all of its real property held in the land bank in accordance with state law and the laws and ordinances of the jurisdiction in which the real property is located.

Section 4. Location. The corporation shall not own or hold real property located outside of the City of Cleveland; provided, however, that the corporation may be granted authority pursuant to an intergovernmental cooperation agreement with another municipality or county to manage and maintain real property located within the jurisdiction of such other municipality or county.

Section 5. Conveyance. Notwithstanding any other law to the contrary, the City of Cleveland may convey to the corporation real property and interests in real property on such terms and conditions, and according to such procedures, as determined by the Cleveland City Council.

Article XII – Funding and Expenditures

Section 1. Budget Contributions. The total contribution by the City of Cleveland is subject to the annual approval of the Cleveland City Council.

Section 2. Establishment of Budget. The board of directors shall establish the corporation’s proposed annual budget and submit this budget to the City, at a date established by the City each fiscal year.

Article XIII – Minutes; Report; Audit

Section 1. Minutes: The board of directors shall cause minutes and a record to be kept of all its proceedings and such records shall be available for timely public inspection.

Section 2. Report. The board of directors shall publish a report on an annual basis to the Cleveland City Council. This annual report must include without limitation a detailed financial accounting of the corporation’s debt obligations, income (sources and amounts), properties, dispositions, expenditures, acquisitions, and contracts (executed and pending within the next ninety (90) days). Report must be submitted no later than six (6) months subsequent to fiscal year end.

Section 3. Audit. The board of directors shall cause an annual audit to be made of the books and records of the corporation. With prior approval of the comptroller of the treasury, the audit may be performed by a licensed certified public accountant selected by the corporation. If a licensed certified public accountant is employed, the audit contract between the corporation and the licensed certified public accountant shall be on contract forms prescribed by the comptroller of the treasury. The cost of any audit shall be paid by the corporation. The comptroller of the treasury, through the department of audit, shall be responsible for determining that the audits are prepared in accordance with generally accepted government auditing standards and that the audits meet the minimum standards prescribed by the comptroller of the treasury. A copy of the audit shall be filed annually, no later than six (6) months subsequent to corporation fiscal year end.

Article XIV – Action to Quiet Title in Real Property

The corporation shall be authorized to file an action to quiet title as to any real property in which the corporation has an interest in a manner consistent with provisions set forth in Tennessee Code Annotated Section 13-30-117.

Article XV – Code of Ethics; Ethics Pledge

Section 1. Code of Ethics. The board of directors shall adopt the City of Cleveland’s Code of Ethics set forth in Chapter 13, Title 20 of the Cleveland Municipal Code.

Section 2. Ethics Pledge. All directors shall sign the ethics pledge and file such pledges with the Chief Ethics Officer of the City of Cleveland within fourteen (14) days of commencing his/her appointment.

Article XVI - Fiscal Year

The fiscal year of the corporation shall begin on the first day of July and end on the thirtieth day of June in each year.

Article XVII - Waiver of Notice

Whenever any notice is required to be given to any member of the board of directors of the corporation 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 herein, shall be deemed equivalent to the giving of such notice.

Article XVIII – Appeals Procedure

The board of directors shall establish an appeal procedure consistent with the provisions set forth in Tennessee Code Annotated Section 13-30-118 and City of Cleveland Ordinance No. 2023-34, Section 13-511, as the same may be amended from time to time, for any person aggrieved by a decision of the corporation.

Article XIX - State Enabling Statutes Controlling

The provisions of Chapter 30 of the Tennessee Code relating to the Tennessee Local Land Bank Pilot program, Tennessee Code Annotated, Section 13-30-101, et seq., and the provisions of the corporation’s

Charter shall in all cases be controlling, and in any matter not specifically covered herein, or should any provision herein be in conflict, then the provisions of said statutes and the Charter shall control.

Article XX – Dissolution of Corporation

In the event that this corporation should for whatever reason be dissolved, the directors shall dissolve and conclude its affairs in accordance with general law for the dissolution of a non-profit corporation.

Article XXI – Amendments

These Bylaws may be altered, amended, or repealed and any new Bylaws may be adopted by the board of directors at any regular or special meeting of the board; provided the proposed alteration, amendment or repeal shall first be proposed at any regular or special meeting of the board and then consideration thereof shall be scheduled for the next regular or special meeting of the board and the substance thereof shall be contained in all published and mailed notices of the meeting. A majority of the total board membership is required to alter, amend, repeal or adopt new Bylaws.

These Bylaws were adopted by the Board of Directors of the Cleveland Land Bank Authority on the 5th day of January 2024.