

BYLAWS
OF
THE DOWNTOWN CHATTANOOGA
BUSINESS IMPROVEMENT DISTRICT BOARD

(A Tennessee Nonprofit Corporation)

(Adopted November 20, 2019)

These bylaws (“Bylaws”) shall regulate the affairs of **THE DOWNTOWN CHATTANOOGA BUSINESS IMPROVEMENT DISTRICT BOARD** (the “Corporation”), subject to the provisions of the Corporation's charter, any applicable provisions of the Tennessee Nonprofit Corporation Act (the “Act”), and the provisions of the Ordinance authorizing the creation of the Corporation, as referenced in Article 5.2 below.

ARTICLE 1
NAME

The name of the Corporation is **The Downtown Chattanooga Business Improvement District Board**.

ARTICLE 2
OFFICES

The Corporation shall designate and continuously maintain a registered office in the State of Tennessee. The principal office of the Corporation shall be that which is designated as such in its charter, as may be relocated from time to time. The Corporation may also have other offices within and without the State of Tennessee at such places as the Board of Directors (sometimes referred to herein as the “Board”) may from time to time determine. The Corporation shall designate and continuously maintain a registered agent in the State of Tennessee at its registered office.

ARTICLE 3
PURPOSES

The purpose of this Corporation shall be as provided in its charter.

ARTICLE 4
NO MEMBERS

The Corporation will not have “members” as this term is defined in the Act.

ARTICLE 5
BOARD OF DIRECTORS

5.1. General. The affairs of the Corporation shall be managed by a Board of Directors, each of whom shall be of legal age (each a “Director”).

5.2. Number and Voting Rights. There shall be at least nine (9), but no more than fifteen (15) Directors, who shall be comprised of property owners or tenants holding a property interest in the District, as defined in Article XXI of the Code of Ordinances City of Chattanooga, Tennessee, Downtown Central Business Improvement District (Downtown CBID) (the “Ordinance”). The Board shall at all times be structured in accordance with the Ordinance and Tennessee Code Annotated Title 7, Chapter 84, Part 5, The Central Business Improvement District Act of 1990, as such may be amended from time to time. Defined terms in the Ordinance shall have the same meaning in these Bylaws.

5.3. Election and Term; *Ex Officio* Members.

(a) The business and affairs of the Corporation shall be managed by the Board, which shall include not less than nine (9) nor more than fifteen (15) persons, chosen by the then-sitting Directors in accordance with the provisions of the Bylaws of the Corporation; *provided, however,* that the Board shall at all times contain three (3) *ex officio* members; the District 7 Chattanooga City Council member, the District 10 Tennessee State Senator, and the District 26 Representative to the Tennessee House of Representatives. Additionally, the remaining membership of the Board shall include (i) at least two (2) large property owners (an owner of a major hotel property or commercial office building in the District); (ii) at least two (2) small property owners (an owner of commercial property other than major hotel or office buildings in the District); (iii) at least two (2) commercial tenants (defined as any lessee of commercial property within the District); (iv) at least one (1) residential condominium owner; (v) at least one (1) Director must own property North of 4th Street, Chattanooga, Tennessee; and (vi) at least one (1) Director shall own property South of 4th Street, Chattanooga, Tennessee; unless otherwise set forth in or provided by any amendment or modification to the Ordinance or any other Tennessee law. Except for the *ex officio* members identified above, all Directors of the Corporation shall be elected by vote of the Directors and shall serve staggered terms in accordance with these Bylaws.

(b) The term of office for each of the three (3) *ex officio* members shall be coextensive with his or her term in the underlying public office, unless earlier removed for cause as provided herein. Otherwise, the Board shall select Directors to serve staggered, three (3) year terms, limited to serving two (2) consecutive full terms, except that initial terms may be less than three (3) years in order to establish a staggered Board rotation.

5.4. Vacancy.

(a) Vacancies occurring within the Directors, beyond the three (3) *ex officio* members, by death, resignation, refusal to serve, removal, or otherwise, shall be filled by the remaining Directors present and voting to fill the vacancy.

(b) Vacancies occurring in the *ex officio* members of the Board by death, resignation, retirement, refusal to serve, removal, or otherwise, shall be filled by appointment by the Speaker of the Senate of the State of Tennessee, the Speaker of the House of Representatives of the State of Tennessee, or Chairman of the Chattanooga City Council, as applicable, until a successor is chosen to fill the underlying office for which *ex officio* Board membership is established.

5.5. Resignation. Any Director may resign at any time by giving written notice to the Chairman, the Secretary, or to the Board. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the Board.

5.6. Removal. Any Director may be removed at any time, with or without cause, by the majority vote of all Directors then sitting. In the event of such removal, the vacant Board position will be filled in the manner specified in Section 5.4 above, and in compliance with the requirements for Board membership as set forth therein.

ARTICLE 6 **MEETINGS OF THE BOARD**

6.1. Place of Meetings. Board meetings shall be held at the principal office of the Corporation or at any place within or without the United States that the Board may from time to time designate.

6.2. Regular Meetings. The Board shall meet on the third Wednesday of each month.

6.3. Annual Meeting. There shall be an annual meeting of the Board, which shall be noticed to the Board members no less than thirty (30) and no more than sixty (60) days in advance.

6.4. Special Meetings. Special meetings of the Board may be called at any time by the Chair or by two (2) or more Directors.

6.5. Notice Requirements. Adequate notice of date, place, time and purpose of any regular or special meeting of the Board shall be given to the Directors and published on the Board's website or in a local newspaper of general circulation as early as reasonably possible prior to the meeting in accordance with T.C.A. §8-44-101 *et seq.*, the Tennessee Open Meetings Act.

6.6. Waiver of Notice. 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 his or her 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. Whenever the Board is authorized to take any action after notice to any person or persons, or the lapse of a prescribed period of time, the action may be taken without such requirements if at any time before or after the action is completed the person or persons entitled to such notice or entitled to participate in the action to be taken submit a signed waiver of notice or of such requirement.

6.7. Quorum. At all meetings of the Board a majority of the total Directors then in office shall constitute a quorum for the transaction of business. When a quorum is once present to organize the meeting, it is not broken by the subsequent withdrawal of any of those present, and a meeting may be adjourned despite the absence of a quorum.

6.8. Voting of Directors. Each Director shall be entitled to one (1) vote. The vote of a majority of the Directors at a meeting at which a quorum is present shall be the act of the Board, unless a vote of a greater number is required by law or by these bylaws.

6.9. Participation in Meetings Through Differing Means of Communication Allowed. Participation by Directors or any committee designated by the Board in any meeting of the Board or committee by means of any communications equipment by which all persons participating in the meeting can hear each other and speak shall be permitted, including, without limitation, conference call or video-conference. Participation in such a meeting pursuant to this Section 6.9 shall constitute presence in person at such meeting. The Directors, as appropriate, shall be promptly furnished a copy of the minutes of any meeting held under this Section.

ARTICLE 7 **COMPENSATION OF DIRECTORS**

Directors shall not receive any compensation for their services as Directors, but the Executive Committee may authorize reimbursement of expenses incurred by Directors or officers in the performance of their duties.

Directors or officers may request reimbursement for business-related expenses incurred in accordance with this Article 7 by completing an expense reimbursement request, and submitting the completed request, including all receipts and appropriate substantiating documentation as requested by any member of the Executive Committee, to the Treasurer. All expense reimbursement requests must be signed by the Director or officer making such request. Expense reimbursement requests must include original receipts or other appropriate substantiating documentation for each expense showing: (a) the amount paid; (b) the date the expense was incurred and paid; (c) the vendor or provider name and location; (d) the nature of the expense; (e) other information reasonably requested by any member of the Executive Committee.

If a receipt or other substantiating documentation is not available, the requestor must submit a written explanation of why the documentation cannot be provided. The Executive Committee, in its sole discretion, will evaluate the explanation and determine whether the expense is reimbursable.

The Executive Committee reserves the right to refuse any expense reimbursement request that is inaccurate, does not include the appropriate substantiating documentation, is submitted beyond 60 days after the expense was incurred, or otherwise fails to fully comply with this Article 7, as determined by the Executive Committee in its sole discretion.

ARTICLE 8 **OFFICERS**

8.1. Titles of Officers. The Corporation shall have a Chairman, a Vice Chair, a Secretary, and a Treasurer, and such other officers as are elected. One person may be elected to more than one office, except that the offices of Chairman and/or Secretary may not be held by the same person.

8.2. Election. All officers shall be elected or appointed at the annual meeting of the Board.

8.3. Term of Office. The officers of the Corporation shall be elected for terms of one (1) year. Each 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 or appointed and qualified, except where removed from office as hereinafter provided. Terms of office shall begin immediately upon election. There shall be no limitation on the number of terms an officer may serve.

8.4. Removal. Any officer may be removed by the vote of two-thirds (2/3) of the entire Board whenever in its judgment the best interest of the Corporation will be served thereby.

8.5. Powers and Duties of Officers. The powers and duties of the officers of the Corporation shall be as follows:

(a) Chairman. The Chairman shall preside at all Board meetings, shall see that all orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board may from time to time prescribe. The Chairman shall ensure that the affairs of the Corporation are being conducted to carry out its mission and purpose in accordance with the bylaws and charter. The Chairman shall have immediate and overall supervision of the operations of the Corporation, and shall direct the day-to-day business of the Corporation. The Chairman shall serve as a member of the executive committee and may serve as a non-voting member of any other committee.

(b) Vice Chair. The Vice Chair may preside at all meetings of the Board and/or the executive committee in the absence of the Chair. The Vice Chair shall ensure that the affairs of the Corporation are being conducted to carry out its mission and purpose in accordance with the bylaws. The Vice Chair shall carry out the Chair's responsibilities in the absence of the Chair or as delegated by the Chair. The Vice Chair may have other duties as authorized or delegated by the Board. The Vice Chair shall serve as a member of the executive committee and may serve on any other committee. The Vice Chair shall become Chair if the Chair can no longer serve.

(c) Secretary. The Secretary shall attend all Board meetings and shall be responsible for preparing the minutes of such meetings. The Secretary shall be responsible for the care and custody of the minute book of the Corporation and for authenticating records of the Corporation. It shall be his or her duty to give or cause to be given notice of all Board meetings, when applicable. The Secretary shall also perform such other duties as may be assigned to him or her by the Board or by the Chairman under whose supervision he or she shall act. In the event the Secretary is absent for some reason from any meeting where minutes are to be prepared or is otherwise unable to take such minutes, the presiding officer of such meeting shall appoint another person, subject to the approval of those present and entitled to vote at such meeting, to take the minutes thereof. The Secretary shall serve as a member of the executive committee and may serve on any other committee.

(d) Treasurer. The Treasurer shall have custody of the Corporation funds and securities, shall keep full and accurate account of receipts and disbursements in the appropriate Corporation books, and shall require the deposit of all monies and other valuable assets in the name of and to the credit of the Corporation in such financial institutions as may be designated by the Board. The Treasurer shall require disbursement of the funds of the Corporation as may

be ordered by the Board, and shall render to the Chairman and the Board, at any time they may require, an account of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall serve as a member of the executive committee and may serve on any other committee.

ARTICLE 9 **COMMITTEES**

9.1. Committees. The Board, by resolution adopted by a majority of the entire Board, may designate an executive committee, consisting of four (4) or more Directors, and other committees, consisting of two (2) or more Directors and may delegate to such committee or committees all such authority of the Board that the Directors may legally delegate. However, no committee shall: (a) authorize distributions; (b) approve or recommend the dissolution, merger or sale of the Corporation; (c) approve or recommend the sale, pledge or transfer of all or substantially all of the Corporation's assets; (d) elect, appoint or remove Directors or fill vacancies on the Board or any of its committees; or (e) adopt, amend or repeal the charter or Bylaws. Each committee shall keep minutes and report any action taken to the meeting of the Board next following the taking of such action, unless the Board otherwise requires. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of the committee. Each such committee, and each member of any committee, shall serve at the pleasure of the Board. The designation of any such committee and the delegation thereto of authority shall not relieve any Director of any responsibility imposed by law. So far as applicable, the provisions of law relating to the conduct of meetings of the Board shall govern meetings of the executive and other committees.

9.2. Executive Committee. The executive committee shall comprise the Chair, Vice Chair, Treasurer, and Secretary. This committee shall act on behalf of the full Board in exigent circumstances when an action is required before proper notice of a full Board meeting can be given. The executive committee shall set the agenda for Board meetings and review organizational progress in connection with its purpose.

9.3. Finance Committee. The finance committee shall be comprised of a minimum of three (3) members, who shall be appointed for three (3) year staggered terms, or until such member's successor is named, by the Board at its annual meeting. The finance committee chairperson or the Chairman may fill any vacant positions occurring after that meeting. The Treasurer shall chair the finance committee. The purpose of the finance committee shall be to provide financial oversight for the Corporation, including, but not limited to: responsible management of all financial assets of the Corporation; to prepare an annual budget reflecting realistic anticipated receipts and expenditures that support the Corporation's activities; and to strengthen the financial position of the Corporation through all appropriate means. The finance committee will ensure that Directors are provided reports that clearly communicate the Corporation's financial and cash position, its adherence to the budget and its allocation of resources toward the accomplishment of its mission. The finance committee shall meet at least semi-annually and shall report to the Board quarterly, or as otherwise directed by the Board. The finance committee shall initiate coordination with other committees and groups as necessary to fulfill its purpose.

9.4. Standing Committees. The Board, by resolution adopted by a majority of the entire Board, may designate standing committees, assign other duties to existing committees, and create ad hoc committees as needed.

ARTICLE 10
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

10.1. Authorization. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute 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. 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.

10.2. Funds. All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select, or as may be designated by any officer or officers, agent or agents of the Corporation to whom such power may be delegated by the Board.

10.3. Acceptance of Gifts. The Board or any officer or officers or agent or agents of the Corporation to whom such authority may be delegated by the Board, may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE 11
LIMITED LIABILITY OF DIRECTORS

The liability of the Directors and officers of this Corporation shall be limited to the maximum extent permissible in accordance with the provisions of the charter of the Corporation and the Act, as now or hereafter in effect.

ARTICLE 12
INDEMNIFICATION

Any Director or Officer, or his or her executor or administrator, shall be entitled to indemnification to the fullest extent allowed in accordance with the charter of the Corporation and the Act, as now or hereafter in effect.

ARTICLE 13
AMENDMENT

General Amendments. These Bylaws may be amended or repealed, and new bylaws may be adopted, by the vote of a majority of the entire Board. The resulting bylaws may contain any provision for the regulation and management of business of the Corporation not inconsistent with law and the charter.

ARTICLE 14
MISCELLANEOUS

14.1. Fiscal Year. The fiscal year end of the Corporation shall be December 31.

14.2. Notices. Whenever notice is required to be given to Directors or officers, unless otherwise provided by law, the charter or these Bylaws, such notice may be given in person, or by telephone, electronic mail or other form of wire or wireless communication, or by mail or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address that appears for each such person on the books of the Corporation. Written notice shall deemed to have been given at the earliest of the following:

- (a) When received;
- (b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or
- (c) On the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, postage prepaid and the receipt is signed by or on behalf of the addressee.

14.3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute, or of the charter or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the date stated thereon, and delivered to the Secretary of the Corporation and included in the minutes or corporate records, shall be deemed equivalent thereto.