

Tennessee Housing Authority Risk Management Trust

P. O. Box 846

Nashville, Tennessee 37202

Phone (615) 252-8414

Fax (615) 252-3677

June 13, 2007

Tennessee Ethics Commission
SunTrust Bank Building
201 Fourth Avenue North, 18th Floor
Nashville, TN 37219

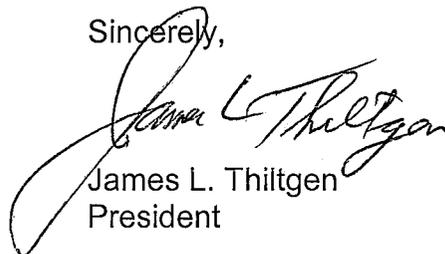
Dear Sir or Madam:

In accordance with the provision of TCA 8-17-103, our Trust has amended the Intergovernmental Trust agreement originally adopted on December 5, 1996 by adding a new Article XIX, titled "Conflict of Interest and Code of Ethics". A copy is enclosed.

The Trust is a joint instrumentality of housing authorities in Tennessee formed to provide property and liability insurance to the member authorities. The Trust has no employees.

If you have any questions about this amendment to our Intergovernmental Trust, please contact me at 252-8414.

Sincerely,



James L. Thiltgen
President

JLT:dh

Enclosures

cc: Board of Directors

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TENNESSEE ETHICS COMMISSION

ARTICLE XIX
Conflict of Interest and Code of Ethics

19.1 General

It is of the highest importance that the members of the Trust and the citizens served by those members have complete confidence in the Trust's Board of Directors. This policy of standards of conduct and ethical principles is intended to ensure that each Director adheres to the high standards of honesty, integrity, impartiality and conduct in carrying out his or her duties to the Trust.

19.2 Disclosure of Personal Interest

Should a Director or member of his or her immediate family have any financial, ownership, or employment interest in any matter that is a subject for a vote by the Board that affects, or that would lead a reasonable person to infer that it affects, the Director's vote on the matter, the Director shall disclose such interest during the meeting at which the vote is taken, prior to the vote and recorded in the minutes. In addition, the Director may recuse himself or herself from voting on the measure. Similarly, should any Director exercise discretion relative to any matter other than casting a vote, such interest shall be disclosed, prior to the exercise of such discretion if possible, in written form filed with the Secretary of the Trust and such disclosure shall remain with the official minutes of the Trust. In addition, to the extent allowed by law or policy, the Director may recuse himself or herself from the exercise of discretion in the matter.

1. "Financial interest" shall mean any monetary benefit (other than *de minimus*) which might accrue to the Director or immediate family member as a result of his or her vote or exercise of discretion. A *de minimus* interest would include, but not be limited to, ownership of publicly traded stock (directly or through any mutual fund or retirement fund) in any national or international corporation which may be engaged by the Trust to provide insurance, reinsurance, brokerage, auditing, actuarial, or other services.
2. "Ownership interest" shall mean an ownership by the Director or member of his or her immediate family of more than 10% in any entity with which the Trust contracts for services.
3. "Employment interest" shall include any situation in which the Director or member of his or her immediate family may be currently employed or negotiating possible employment with any person or entity which may be the subject of a vote or exercise of discretion by the Director. Employment entered into more than 12 month after the individual ceases to be a Director shall not be considered a prohibited Employment Interest. It is understood that each Director will be an employee of a public housing authority which is a member of the Trust and thereby receives services from the Trust; such employment shall not be construed as an employment interest subject to disclosure for the purposes of this article.

4. "Immediate Family Member" means a parent, spouse, child, sibling or any other person related by birth, marriage or adoption living in the same household as the Director.

19.3 Acceptance of Gratuities

A Director may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind:

1. For the performance of an act, or refraining from performance of an act, that he or she would be expected to perform or refrain from performing in the regular course of his or her duties as a Director; or
2. That might reasonably be interpreted as an attempt to influence his or her actions or as a reward for past actions in exercising the functions of a Director.

A gift includes any gratuity, favor, entertainment, hospitality, or other item having monetary value; a gift does not include items of nominal intrinsic value ("nominal intrinsic value" meaning that it has an aggregate market value of \$50.00 or less per occasion). A gift that the Director knows is being offered with the intent to influence his or her official conduct is not subject to the "nominal intrinsic value" exception.

It shall not be considered a violation of this policy for a Director to receive food, entertainment, refreshments, meals, beverages, or amenities that are provided in connection with a conference sponsored by an association of housing authorities or an association of public-entity insurance or risk management pools, or in connection with a multi-state conference comprised of the Boards of Directors of risk management entities similar in function and structure to the Trust.

19.4 Use of Information

A Director may not disclose any information obtained in his or her official capacity that is made confidential under state or federal law except as authorized by law. A Director may not use or disclose information obtained in his or her official capacity with the intent to result in financial gain for himself or herself or any other person or entity.

19.5 Use of Position or Authority

A Director may not make or attempt to make private purchases, for cash or otherwise, in the name of the Trust. A Director may not use or attempt to use his or her position to secure any privilege or exemption for himself, herself, or others that is not otherwise authorized by this Agreement, general law, or policy of the Trust.

19.6 Ethics Complaints

As the Trust currently employs no staff and does not engage counsel on an on-going basis (other than in the defense of insured general liability claims), the elected Secretary of the Trust is designated as the ethics officer of the Trust; any complaint of a violation of any provision of this Article shall be directed to that officer. Should any complaint relate to an alleged violation by the Secretary, the complaint shall be filed with the Treasurer of the Trust or with any other Director of the Trust who is not a subject of the complaint. Complaints shall be in writing and signed by the person making the complaint, and shall set forth in reasonable detail the facts upon which the complaint is based. The ethics officer (or other Director receiving a complaint) shall promptly investigate any complaint

received either on his or her own or with the assistance of one or more outside individuals (such as counsel retained by that Director's public housing authority or an adjuster employed by the Trust's third party administrator). The results of such investigation shall be reported to the full Board of Directors as expeditiously as possible. If the complaint has been found to be valid, the Board shall implement such corrective action as it deems appropriate. Any Director who is the subject of a validated complaint shall recuse himself or herself from all proceedings involving such complaint.

This Amendment to the Intergovernmental Trust (Consisting of a new Article XIX) is adopted on behalf of the Trust as of June 15, 2007 by the Board of Directors:

ATHENS HOUSING AUTHORITY

BY: 

DAYTON HOUSING AUTHORITY

BY: Lisa E. Bonadio

KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY

BY: _____

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BY: _____

LAWRENCEBURG HOUSING AUTHORITY

BY: _____

MEMPHIS HOUSING AUTHORITY

BY: _____

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

BY: _____

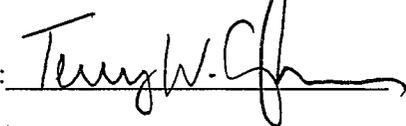
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MEMPHIS HOUSING AUTHORITY

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METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

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KINGSPORT HOUSING AND REDEVELOPMENT AUTHORITY

BY: _____

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BY: _____

LAWRENCEBURG HOUSING AUTHORITY

BY: Eddy Casteel

MEMPHIS HOUSING AUTHORITY

BY: Corestine Carroll

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

BY: James E. Thigpen