

**BYLAWS  
OF  
CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.**

**ARTICLE I**

**GENERAL**

Section 1.01 **Name** The name of the Corporation is Chattanooga Neighborhood Enterprise, Inc. (the "Corporation")

Section 1.02 **Principal Office** The Principal Office of the Corporation shall be 1301 Market Street, Suite 100, Chattanooga, TN 37402, or such other location as may from time to time be approved by the Board of Directors

Section 1.03 **Purpose** The purpose of this Corporation shall be as stated in the Charter. This purpose will be carried out through programs that address the housing and credit needs of low to moderate income Chattanooga residents. These programs may include, but are not limited to, educational, lending, rental, and small business support.

Section 1.04 **Limitations** The aims of the Corporation are to be carried out through any and all lawful activities including others not specified in the Charter but incidental to the aims and purposes, both directly and indirectly and through contributions to any other Corporation, trust fund or foundation whose purposes are allowed within the limitations described in Section 501(c) (3) of the IRS Code and regulations thereunder or on any corporate contributions to which are deductible under Section 170 (c) (2) of the IRS Code as presently enacted or a may hereafter be amended or supplemented, or replaced or by new sections of similar import, and to the final regulations thereunder.

Section 1.05 **Amending the Bylaws or Charter** The Bylaws and Charter of the Corporation may be amended or repealed and new bylaws adopted by a majority vote of any meeting of the Board of Directors at which there is a quorum present and the proposed amendment, or repeal has been properly noticed. For the purposes of amending the bylaws or charter no proxies will be permitted. Any proposed changes must be provided to the Board in writing at the time meeting notice is delivered. The resulting Bylaws may contain any provision for the regulation and management of the business of the Corporation consistent with law and the Charter.

Section 1.06 **Corporate Seal** The Corporation may or may not choose to use a seal. The seal will be maintained at the primary place of business as directed by the Board of Directors

## ARTICLE II

### BOARD OF DIRECTORS

Section 2.01 **Powers** There shall be a Board of Directors of the Corporation, which shall supervise and control the business, property, and affairs of the Corporation, except as otherwise expressly provided by law, the Articles of Incorporation, or these Bylaws.

Section 2.02 **Board Composition** One third of the voting members of the Board of Directors shall be residents of low to moderate income communities where the Board is working or representatives of residents of such neighborhoods. At least one member of the Board shall be a governmental representative.

Section 2.03 **Number of Directors** The Board of Directors of the Corporation shall be composed of no fewer than nine (9) and no more than eighteen (18) voting members. The number of Directors may be decreased, but no decrease shall have the effect of shortening the term of any incumbent Director.

Section 2.04 **Ex Officio Members** The Mayor of Chattanooga and the Mayor of Hamilton County, or their designees, may serve as non-voting ex officio members of the Board. In addition, the Board, from time to time, may appoint as non-voting members of the Board, such other individuals who are valued for the technical or relational expertise they can lend to various matters to come before the Board

- (a) Term Limits: Ex Officio members shall not be subject to term limits and may serve at the discretion of the Board for a period of time either shorter or longer than other Board members. The Mayors of Chattanooga and Hamilton County shall serve for a term concurrent with their terms of office. Designees appointed by the Mayors of Chattanooga and Hamilton County shall serve at the pleasure of said Mayors.
- (b) Quorum: As non-voting members of the Board, Ex Officio members shall not be counted in establishing a quorum.
- (b) Voting: While Ex Officio members may participate in discussion of business before the board, they may not vote on actions proposed to the Board of Directors and may not move or second a motion for action.

**Section 2.05 Election and Term of Office.** The members of the Board of Directors shall be recommended by the Governance Committee. New Directors are elected by the existing Board of Directors at any meeting of the Board of Directors. Except as provided in subparagraph (a) and subparagraph (b) below, Directors shall serve for a term of three years. Directors may serve two (2) consecutive three year terms. After remaining off the Board for an interval of at least one year, any former Director may be re-elected to the Board. Upon resignation or removal of a Director as provided in Sections 2.08 and 2.09 below, the term of the resigned or removed Director shall be considered complete and the vacancy created thereby will be for a full, three year term and shall include the right of the incoming Director to serve a second consecutive three year term as provided herein.

- (a) The term for the immediate past Chairman of the Board shall automatically be extended as necessary to provide that said past Chairman shall remain a Director for a period of one year following the end of his or her term of office as Chairman of the Board.
- (b) The term of any Officer of the Board as established under Article III hereof shall be extended as necessary to provide that said Officer may complete the current term of his or her Office.

**Section 2.06 Conflict of Interest:** A Director has a duty to disclose any conflict of interest or any situation that may have the appearance of a conflict of interest, each Director will be required to abide by all Conflict of Interest Policies adopted by the Board from time to time and will be required to execute on an annual basis a commitment indicating his or her agreement to abide by that Conflict of Interest Policy.

**Section 2.07 Compensation:** Directors shall serve without compensation. Directors may be reimbursed for previously approved expenses incurred on behalf of the Corporation in carrying out its mission. Directors may not serve in a staff capacity for the Corporation while serving on the board. A Director wishing to be employed by the Board shall resign from his or her seat on the Board prior to making application for employment.

**Section 2.08 Resignation:** Any Director may resign at any time by giving written notice to the Chairman of 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 Chairman of the Board.

**Section 2.09 Removal:** All Directors shall serve at the pleasure of the Board of Directors and any Director may be removed at any time with or without cause by vote of two-thirds of the voting Directors then serving whenever in the judgment of the Board the best interest of the Corporation will be served thereby. Additionally, Directors who are unable to regularly participate in the meetings and activities of the Board, without reasonable excuse, may be removed from the Board.

**Section 2.10 Vacancies:** So long as at least nine (9) voting Directors are serving on the Board vacancies occurring in the Board of Directors need not be filled. The Board of Directors, upon recommendation of the Governance Committee may in its discretion fill any vacancy in the Board at any regular or special meeting of Board.

## ARTICLE III

### OFFICERS

Section 3.01 **Titles of Officers:** The Board shall have a Chairman, a Vice Chairman, a Treasurer, a Secretary and such other officers as are elected by the Board.

Section 3.02 **Terms of Officers:** Officers shall be elected to a one-year term. Officers may succeed themselves for a position once. After an interval of one year an officer may hold the same office again.

Section 3.03 **Election of Officers:** The Governance Committee shall propose a slate of officers to the Board of Directors at the annual meeting. At the annual meeting nominations may be taken from among the other Board members present.

Section 3.04 **Removal:** Any Officer may be removed from office by the vote of a majority of the entire Board whenever in its judgment the best interest of the Corporation will be served thereby.

Section 3.05 **Vacancies:** Any and all vacancies occurring among officers shall be filled by a majority vote of the Board at its next regular or special meeting.

Section 3.06 **Power and Duties of Officers:** The powers and duties of the officers of the Board shall be as follows:

- (a) Chairman. The Chairman shall preside at all meetings of the Board and appoint all committee chairs and co-chairs, except where otherwise provided by these bylaws. The Chairman shall be a voting member of all Board committees. The Chairman shall see that all orders and resolutions of the Board are carried into effect, shall have general supervision over the active management of the business and affairs of the Board, and shall perform such other duties as the Board of Directors or the Executive Committee may from time to time prescribe.
- (b) Vice Chairman. The Vice Chairman shall perform the duties of the Chairman in the event of the Chairman's absence, resignation, or inability to perform, and shall perform such other duties as the Board of Directors or the Executive Committee may from time to time prescribe.
- (c) Secretary. The Secretary shall attend all meetings of the Board and record or cause to be recorded all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Board, and shall perform such other duties as the Board of Directors or the Executive Committee

may from time to time prescribe.

- (d) Treasurer. The Treasurer shall prepare, or cause to be prepared, a full and accurate accounting of receipts, disbursements, assets and liabilities of the Corporation and for the same to be recorded in the books and records of the Corporation. The Treasurer shall prepare, or cause to be prepared, reports on the financial condition of the Corporation as may be requested by the Executive Committee and the Board and shall deliver or cause to be delivered said reports at the regular meetings of the Executive Committee and the Board. The Treasurer shall perform such other duties as the Board of Directors or the Executive Committee may from time to time prescribe.
- (e) Other Officers. The Board may appoint such other officers and agents as it shall deem necessary or advisable, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

## ARTICLE IV

### COMMITTEES

Section 4.01 **Standing Committees** the Board of Directors of the Corporation shall have the following Standing Committees each of which shall have a Chair as provided herein. At the discretion of the Chairman of the Board any standing committee or other committee designated by the Board may also have a co-Chair which co-chair shall be appointed by the Chairman of the Board subject to approval by vote of a majority of the Board.

Executive Committee: The Board Chairman will chair the Executive Committee. The Executive Committee will consist of the Officers of the Board, the immediate past Chairman of the Board, and the Committee Chairs of the Standing Committees. The Executive Committee will have such powers as the Board may authorize, including hearing appeals of personnel actions taken by the chief executive, and may act on matters of urgency between meetings of the Board of Directors and recommend action on those items to the full board. The Executive Committee will annually review the job performance of the Chief Executive Officer and make recommendations to the Board regarding compensation. In instances where timely action is required, the Executive Committee may undertake such actions or direct staff to undertake such actions as are necessary for the conduct of business with the understanding that the action will be reviewed by the full board at its next meeting.

Resource Development Committee: The Resource Development Committee Chair is selected by the Executive Committee. The Resource Development Committee is responsible for ensuring that the Corporation has adequate financial resources to carry out its mission. The Committee develops and implements the Corporation's Resource Development Plan, leads all organizational fundraising efforts and ensures that resource

development includes grants, contributions and gifts from a variety of sources. The Committee also leads the Annual Board Member Giving Campaign. The Committee meets monthly during the Annual Giving Campaign and as needed at other times by all means authorized. The Committee may consist of no fewer than seven members, including the treasurer.

Finance Committee: The Finance Committee will be chaired by the Treasurer of the Corporation. The Finance Committee will review financial statements and investment accounts monthly and report to the Board at each scheduled Board meeting. The committee also reviews all asset acquisition or disposition actions to be taken by the Corporation, reviews contracts in excess of \$25,000 and makes recommendations to the Board for action on such contracts. The committee meets by any method authorized for Board meetings and will consist of no fewer than three members.

Governance Committee: The Governance Committee will be chaired by the Vice Chairman of the Board. The Governance Committee will review the Bylaws and propose changes as appropriate, be responsible for screening potential new Board members and make recommendations for Board membership. The Governance Committee will also prepare a proposed slate of candidates for election as Officers of the Board of Directors and submit that slate to the Board for approval at the annual meeting of the Board. The committee will meet as often as necessary to conduct its business, may meet by any method authorized for Board meetings, and will consist of no fewer than three members.

Audit Committee: The Audit Committee Chair is selected by the Board Chairman and may be any voting Director with the exceptions of the Treasurer and the Board Chairman. The Audit Committee is responsible for recommending a CPA firm to conduct the annual audit and shall work with such firm and with staff in the preparation of the annual audit. The Audit Committee will review compliance by the Corporation with all applicable laws and regulations. The Audit Committee meets as needed by all means authorized, may consist of no fewer than three members and may not include the Treasurer.

Program Committee: The Program Committee Chair is selected by the Board Chairman and may be any voting Director. The Program Committee provides oversight to the organization's programs, services and lines of business, ensuring that organizational efforts meet the needs of the service area. The Committee provides program monitoring and evaluation, ensuring that programs and services remain relevant and customer focused. The Committee meets not less than quarterly and consists of no fewer than five members

**Section 4.02 Other Committees:** By a majority of all Directors present at any meeting of the Board, the Board may designate committees, or such other working groups as the Board shall deem appropriate consisting of two (2) or more persons who may or may not be Directors, and may delegate to such committees all such authority of the Board that the Directors may legally delegate. The designation of any such committee and the delegation thereto of authority shall not relieve any Director of any responsibility imposed by law.

Section 4.03 **Limitations on Committees' Authority:** No committee shall: (i) authorize distributions; (ii) approve the dissolution, merger or sale of the Corporation; (iii) approve the sale, pledge or transfer of all or substantially all of the Corporation's assets; (iv) elect, appoint or remove Directors or fill vacancies on the Board or any of its committees; (v) adopt, amend or repeal the charter or bylaws; or (vi) approve any action that is required to be approved by the Board.

Section 4.04 **Committee Meetings:** So far as applicable, the provisions contained herein and the provisions of law relating to the conduct of meetings of the Board shall govern meetings of the Standing Committees and other committees. 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. Any Director may attend any meeting of any committee of the Board regardless of such Director's assignment to that committee and may participate in discussion of business before the committee, but may not vote on actions proposed by the committee and may not move or second a motion for action by the committee.

Section 4.05 **Removal of Committee Members:** Each committee, and each member of any committee, shall serve at the pleasure of the Board.

Section 4.06 **Alternate Committee Members:** 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.

Section 4.07 **Committee Chairs.** Except as provided in Article IV, the Chairman shall appoint committee chairs and or co-chairs, who are then authorized to select individuals to serve as committee members. Committee chairs or co-chairs may be removed by the Board Chairman at any time by vote of a majority of the Directors present. Chairs or co-chairs of committees who are not members of the Board of Directors shall be non-voting ex officio members of the Board for their tenure as chair.

## ARTICLE V

### MEETINGS

Section 5.01 **Annual Meetings:** The Annual Meeting of the Board shall be held within 6 months of the close of the fiscal year. An annual meeting may be combined with any regular Board meeting if the notice of the meeting so designates it and no Directors object.

Section 5.02 **Regular Meetings:** The Board of Directors shall meet bi-monthly to conduct the regular business of the Board. The time and place of such meetings shall be determined by the Board of Directors.

Section 5.03 **Special Meetings:** Special meetings of the Board of Directors may be called at the direction of the Chairman or by a majority of the voting Directors then in office, to be held at such time, day, and place as shall be designated in the notice of the meeting.

Section 5.04 **Notice:** Notice of the time, day, and place of any meeting of the Board of Directors shall be given at least 2 days before the meeting and in writing delivered either electronically or physically; however, written notice describing the purpose of the meeting shall be given to each Director not less than seven (7) days before any special or regular meeting called to amend the charter or the by-laws; remove a Director; adopt a plan of merger or dissolution; or consider the sale, lease, exchange or other disposition of all or substantially all of the Board's assets. Notice shall include the time and place of the meeting and any business proposed to be brought before the Board at that time. The purpose for which a special meeting is called shall be stated in the notice. Any Director may waive notice of any meeting by a written statement executed either before or after the meeting. Attendance and participation at a meeting without objection to notice shall also constitute a waiver of notice.

Section 5.05 **Quorum:** A quorum of the Board will be deemed present when 40% of the voting Directors are in attendance. When a quorum is once present to organize a 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.

Section 5.05 **Manner of Acting:** Except as otherwise expressly required by law, the Articles of Incorporation, or these Bylaws, the affirmative vote of a majority of the voting Directors at any meeting at which a quorum is present shall be the act of the Board of Directors. Each Director shall have one vote. Voting by proxy shall be permitted by registering a proxy with the secretary of the Board of Directors providing instructions regarding action to be taken on a specific issue. Proxy shall not be counted as a member in attendance for purposes of determining a quorum.

Section 5.07 **Unanimous Written Consent In Lieu of a Meeting:** The Board may take action without a meeting if written consent to the action is signed by all of the Directors.

Section 5.08 **Participation in Meetings Through Differing Means of Communication Allowed:** Participation by members of the Board 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 shall be permitted. Participation in such a meeting pursuant to this Paragraph 6.08 shall constitute presence in person at such meeting. The Directors or committee members, as appropriate, shall be promptly furnished a copy of the minutes of any meeting held under this paragraph.

## ARTICLE VI

### CHIEF EXECUTIVE OFFICER

A Chief Executive Officer ("CEO") may be selected by the Board to serve at a salary and on such terms as the Board may determine. If employed, the CEO may be a non-voting member of the Board and Executive Committee the provisions of section 2.07 above to the contrary notwithstanding; and will be responsible for carrying out the policies established by the Board. The duties of the CEO shall include, but are not limited to, the following:

- (a) Serving as the general administrative officer of the Board;
- (b) Working with committee chairs in the preparation of their programs and in the execution of details related thereto;
- (c) Assisting in recruiting personnel for committees;
- (d) Employing and discharging members of the Board's staff;
- (e) Preparing the annual budget in accordance with these bylaws and supervising with the Treasurer expenditures of the Board authorized in the annual budget;
- (f) Represents the Board or seeing that the Board is properly represented at meetings, hearings, and in other public efforts related to the purposes of the Board;
- (g) Presenting at each annual meeting of the Board a plan of action for the coming year for the Board and making at each annual meeting of the Board a report of progress made in the year concluding;
- (h) Engaging in research with properly qualified consultants looking toward new and improved activities, and undertaking periodic evaluations of the programs of the Board with the help of expert consultants.

## **ARTICLE VII**

### **CONTRACTS INVESTMENTS AND ACCOUNTS**

The Chief Executive Officer and Board Officers in combination or alone as directed by the Board may execute contracts, make investments, and open bank accounts as needed to conduct the business of the Corporation. All records of these are presented within the financial statements of the Corporation at the times required by the Board for their convenience in conducting oversight of the Board's activities. Authority may be delegated by Board action and signors on all bank accounts are named by Board action. Deposits will be made in federally insured accounts or in accounts secured by pledged assets in instances where deposits exceed federal insurance limits.

## **ARTICLE VIII**

### **BONDS AND INSURANCE**

The Board of Directors and all employees authorized to act on behalf of the Board shall be bonded and insured with liability coverage at a level set by the Board of Directors at the expense of the Corporation.

## **ARTICLE IX**

### **LIMITED LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The liability of the Directors and officers of this Board shall be limited to the maximum extent permissible in accordance with the provisions of the charter of the Board and the Tennessee Nonprofit Board Act, as now or hereafter in effect. Any Director or officer, or his/her executor or administrator, shall be entitled to indemnification to the fullest extent allowed in accordance with the charter of the Corporation and the Tennessee Nonprofit Board Act, as now or hereafter in effect.

## **ARTICLE X**

### **GIFTS**

The Board of Directors and employees may accept gifts, bequests, and contributions to the Board on behalf of the Corporation in accordance with the Gift Acceptance Policy adopted by the Board, as same may be amended from time to time ("Gift Acceptance Policy"). A record of all gifts made to and received by the Board will be maintained by the Secretary of the Board of Directors and will be reported to the Board as required in the Gift Acceptance Policy. All gifts received by employees and Board members are considered the property of the Corporation. No gifts may be accepted except as set forth in the Gifts Acceptance Policy and except as set forth in the Gifts Acceptance Policy, Directors and employees of the Board may not receive gifts for their personal use.

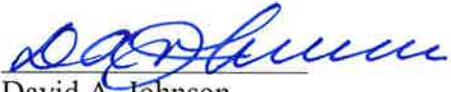
## **ARTICLE XI**

### **EXEMPT ACTIVITIES**

Notwithstanding any other provision of these bylaws, no Director, officer, employee or representative of this Board shall take any action or carry on any activity by or on behalf of the Board not permitted to be taken or carried on by a Corporation exempt under Section 501©(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended or by an Corporation contributions to which are deductible under Section 170©(2) of such Code and regulations as they now exist or as they may hereafter be amended. In addition, neither the Board nor any individual acting on behalf of the Board shall make a financial contribution to any campaign for political office.

## CERTIFICATION

I, David A. Johnson, President and CEO of Chattanooga Neighborhood Enterprise, Inc., a Tennessee not-for-profit corporation, by my signature affixed below do hereby certify that the attached Amended and Restated Bylaws of Chattanooga Neighborhood Enterprise, Inc. have been duly and properly adopted by the Board of Directors of Chattanooga Neighborhood Enterprise, Inc. at its annual meeting held on November 19, 2009 at the offices of Chattanooga Neighborhood Enterprise, Inc.



David A. Johnson  
President and CEO



**STATE OF TENNESSEE**  
**Tre Hargett, Secretary of State**  
Division of Business Services  
William R. Snodgrass Tower  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

## Filing Information

Name: **CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.**

### General Information

**Control # :** 181853  
**Filing Type:** Corporation Non-Profit - Domestic  
**Filing Date:** 12/12/1986 4:30 PM  
**Status:** Active  
**Duration Term:** Perpetual  
**Public/Mutual Benefit:** Mutual

**Formation Locale:** Hamilton County  
**Date Formed:** 12/12/1986  
**Fiscal Year Close** 6

### Registered Agent Address

MAURICE R BOWEN JR  
633 CHESTNUT ST  
REPUBLIC CTR 9TH FL  
CHATTANOOGA, TN 37450

### Principal Address

1301 MARKET ST S100  
CHATTANOOGA, TN 37402

The following document(s) was/were filed in this office on the date(s) indicated below:

<b>Date Filed</b>	<b>Filing Description</b>	<b>Image #</b>
12/29/2010	2010 Annual Report	6807-1402
12/01/2010	Notice of Determination	A0049-0878
12/17/2009	2009 Annual Report	6631-2603
12/01/2009	Notice of Determination	A0002-0037
02/02/2009	2008 Annual Report	6433-2657
12/16/2008	Notice of Determination	ROLL 6412
10/01/2007	2007 Annual Report	6135-2109
08/22/2007	Articles of Amendment	6117-0630
08/03/2006	2006 Annual Report	5839-0607
09/19/2005	2005 Annual Report	5561-1688
09/13/2004	2004 Annual Report	5233-0049
09/03/2003	2003 Annual Report	4901-2378
09/20/2002	2002 Annual Report	4605-0130
05/01/2002	2001 Annual Report	4494-1655

Fiscal Year Close Changed

## Filing Information

Name: **CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.**

11/06/2001	Articles of Amendment	4338-0225
	Principal Address Changed	
03/26/2001	2000 Annual Report	4157-3024
08/09/1990	Articles of Amendment	1882-0413
	Principal Address Changed	
	Registered Agent Physical Address Changed	
	Registered Agent Changed	
03/11/1988	Articles of Amendment	778-0243
	Principal Address Changed	
04/28/1987	Articles of Amendment	683 02312
	Name Changed	
12/12/1986	Initial Filing	655 01347

**Active Assumed Names (if any)**

**Date**

**Expires**

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CHARTER

OF

CHATTANOOGA NEIGHBORHOODS, INC.

The undersigned natural person, having capacity to contract and acting as the Incorporator of a corporation not for profit under the Tennessee General Corporation Act, adopts the following charter for the corporation:

1. Name. The name of the corporation is:  
Chattanooga Neighborhoods, Inc.
2. Duration. The duration of the corporation is perpetual.
3. Address of Principal Office. The address of the principal office of the corporation in the State of Tennessee is:

Fourth Floor, First Tennessee Building  
701 Market Street  
Chattanooga, Hamilton County, Tennessee 37402

4. Not For Profit. The corporation is not for profit.
5. Purposes. The corporation is organized for all lawful purposes, including, without limitation the following general purposes:

To preserve, rehabilitate and prevent further deterioration of rental and home ownership units, including the encouragement of home ownership and rehabilitation through below market rate loans, the construction of new housing units, the development of a program for training in home maintenance and repair, the weatherization of all housing units, the requirement of concentrated code enforcement, and the promotion of neighborhood beautification and self-improvement projects such as paint-up campaigns and community gardening projects;

To eliminate substandard housing, and to make all housing in Chattanooga fit and livable;

The corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law) or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law);

The entire income and principal of the assets of the corporation shall be held and distributed

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solely for charitable purposes. No part of the net earnings of the corporation shall inure to the benefit of any individual; no substantial part of its activities shall be the carrying on of propaganda or otherwise attempting to influence legislation; and it shall not participate in nor intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office or any referendum;

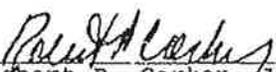
In the event this corporation is in any one year a "private foundation" as defined by Section 509(a) of the Internal Revenue Code of 1986 (or a successor statute of similar import), it shall be required to distribute its income for such taxable year at such time and in such manner as not to subject the foundation to taxation under Section 4942 of the Internal Revenue Code of 1986 (or a successor statute of similar import); and further shall be prohibited from: any act of "self dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986 (or a successor statute of similar import); from retaining any "excess business holdings" as defined by Section 4943(c) of the Internal Revenue Code of 1986 (or a successor statute of similar import); and from making any investments in such manner as to subject the corporation to taxation under Section 4944 of the Internal Revenue Code of 1986 (or a successor statute of similar import);

Subject always to the purposes and limitations described above, the corporation shall have all the rights, powers, privileges and benefits conferred upon corporations by the laws of the State of Tennessee; and

To do any or all of the things herein set forth, and all things, usual, necessary or proper in furtherance thereof or incidental thereto, to the same extent as natural persons might or could do, as principals, agents, contractors, trustees or otherwise, and either alone or in company with others.

6. Members. The corporation is to have no members.
7. Asset Distribution Upon Dissolution. In the event of the liquidation, dissolution or winding-up of the corporation, whether voluntary, involuntary or by operation of law, no distribution of assets of the corporation shall be made to any officer or director of the corporation, and all assets of the corporation shall be turned over to an organization recognized as tax exempt under Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 (as amended) or the corresponding provisions of any future Internal Revenue Service Code or to the federal, state, or local government for exclusively public purposes.

Dated: December 10, 1986

  
Robert P. Corker, Jr., Incorporator

Secretary of State  
 Division of Business Services  
 312 Eighth Avenue North  
 Floor, William R. Snodgrass Tower  
 Nashville, Tennessee 37243

ISSUANCE DATE: 04/05/2002  
 REQUEST NUMBER: 02095135A

CHARTER/QUALIFICATION DATE: 12/12/1986  
 STATUS: ACTIVE  
 CORPORATE EXPIRATION DATE: PERPETUAL  
 CONTROL NUMBER: 0181853  
 JURISDICTION: TENNESSEE

TO:  
 CFS  
 8161 HIGHWAY 100  
 #172  
 NASHVILLE, TN 37221

REQUESTED BY:  
 CFS  
 8161 HIGHWAY 100  
 #172  
 NASHVILLE, TN 37221

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT  
 -----  
 "CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC."  
 -----

WAS INCORPORATED OR QUALIFIED TO DO BUSINESS IN THE STATE OF TENNESSEE ON THE  
 ABOVE DATE, AND THAT THE ATTACHED DOCUMENT(S) WAS/WERE FILED IN OFFICE ON THE  
 DATE(S) AS BELOW INDICATED:

REFERENCE NUMBER	DATE FILED	FILING TYPE	FILING ACTION									
			NAM	DUR	STK	PRN	OPC	AGT	INC	MAL	BYC	
655-01347	12/12/1986	CHART-NONPROFIT										
683-02312	04/28/1987	AMEND-CHARTER	X									
778-0243	03/11/1988	AMEND-CHARTER				X						
1882-0413	08/09/1990	AMEND-CHARTER				X	X		X			
4338-0225	11/06/2001	AMEND-CHARTER				X						

FOR: REQUEST FOR COPIES

ON DATE: 04/05/02

FROM:  
 CFS  
 8161 HIGHWAY 100  
 #172  
 NASHVILLE, TN 37221-0000

FEE\$  
 RECEIVED: \$60.00 \$0.00  
 TOTAL PAYMENT RECEIVED: \$60.00

RECEIPT NUMBER: 00003049303  
 ACCOUNT NUMBER: 00101230



*Riley C Darnell*

RILEY C. DARNELL  
 SECRETARY OF STATE

SECRET  
OFFICE OF THE SECRETARY OF STATE

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DESIGNATION OF REGISTERED AGENT

OF

CHATTANOOGA NEIGHBORHOODS, INC.

TO: The Secretary of State for the State of Tennessee:

Pursuant to the provisions of Section 48-1-1201 of the Tennessee General Corporation Act, the undersigned, the Incorporator of a domestic corporation being organized under the Act, submits the following statement for the purpose of designating the registered agent of the corporation in the State of Tennessee:

1. The name of the corporation is:  
Chattanooga Neighborhoods, Inc.
2. The name and street address of its registered agent in the State of Tennessee shall be:

Brian P. Mickles  
Fourth Floor, First Tennessee Building  
701 Market Street  
Chattanooga, Tennessee 37402

Dated: December 10, 1986

  
Robert P. Corker, Jr., Incorporator

The undersigned hereby accepts his designatic. as registered agent in the State of Tennessee for Chattanooga Neighborhoods, Inc.

Dated: December 10<sup>th</sup>, 1986

  
Brian P. Mickles

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ARTICLES OF AMENDMENT TO THE CHARTER

OF

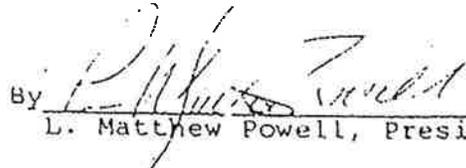
CHATTANOOGA NEIGHBORHOODS, INC.

The undersigned, an existing corporation organized under the laws of the State of Tennessee, adopts the following Articles of Amendment to its Charter:

1. Name. The name of the corporation is:  
Chattanooga Neighborhoods, Inc.
  
2. Amendment. The amendment adopted is: That the Charter of Chattanooga Neighborhoods, Inc. be amended to delete therefrom Paragraph 1 in its entirety and insert the following in lieu thereof:
  1. Name. The name of the corporation is:  
Chattanooga Neighborhood Enterprise, Inc.
  
3. Amendment Adopted By Directors. The amendment was duly adopted at a meeting of the board of directors on April 23, 1987.
  
4. Effective Date. The amendment shall be effective upon the filing of these articles of amendment with the Tennessee Secretary of State.

Dated: April 23, 1987.

CHATTANOOGA NEIGHBORHOODS, INC.

By   
L. Matthew Powell, President

S&T/CEW/jjh #20.10 AMEND-1.1

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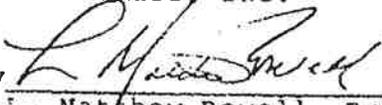
The name of the registered agent at that office is:

Brian P. Mickles

4. Not for Profit. The corporation is a not-for-profit corporation.
5. Amendments Adopted. The amendments were duly adopted on February 18, 1988 by the board of directors without member approval, as the corporation has no members.
6. Effective Date. The amendments shall be effective upon the filing of these articles of amendment with the Tennessee Secretary of State.

Dated: February 24, 1988

CHATTANOOGA NEIGHBORHOOD  
ENTERPRISE, INC.

By   
Matthew Powell, President

S&T/CEW/gfl #20.10 AMEND-1.1

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SECRETARY OF STATE

ARTICLES OF AMENDMENT TO THE CHARTER

OF

CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. Name. The name of the corporation is:  
Chattanooga Neighborhood Enterprise, Inc.

2. Amendments. The amendments adopted are:

That the charter of Chattanooga Neighborhood Enterprise, Inc. be amended to add the following thereto as Paragraph 8:

2. Liability of Directors. To the fullest extent permitted by the Tennessee Nonprofit Corporation Act, as the same exists or may hereafter be amended, a director of this corporation shall not be personally liable to the corporation for monetary damages for breach of a fiduciary duty as a director.

That the charter of Chattanooga Neighborhood Enterprise, Inc. be amended to delete therefrom Paragraph 3 in its entirety and insert the following in lieu thereof:

3. Address of Principal Office. The address of the principal office of the corporation in the State of Tennessee is:

615 Lindsay Street  
Chattanooga, Hamilton County, Tennessee 37402

1. Address of Registered Office and Name of Registered Agent. The street address and zip code of the corporation's registered office in the State of Tennessee is:

Suite 500, First Tennessee Building  
701 Market Street  
Chattanooga, Hamilton County, Tennessee 37402

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ARTICLES OF AMENDMENT TO THE CHARTER

OF

RYANT, CAPS  
SECRETARY OF STATE CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.

2. The text of each amendment adopted is:

Address of Principal Office. The address of the principal office of the corporation in the State of Tennessee is:

Ninth Floor, Republic Centre  
633 Chestnut Street  
Chattanooga, Tennessee 37450  
County of Hamilton

Address of Registered Office and Name of Registered Agent.

(a) The street address and zip code of the corporation's registered office in the State of Tennessee is:

Ninth Floor, Republic Centre  
633 Chestnut Street  
Chattanooga, Tennessee 37450  
County of Hamilton

(b) The name of the registered agent to be located at the registered office address is Maurice R. Bowen, Jr.

3. The corporation is a nonprofit corporation.

4. The amendment was duly adopted on July 25, 1990 by the Board of Directors without members' approval, as such was not required.

5. Additional approval for the amendment (as permitted by Section 48-60-301 of the Tennessee Nonprofit Corporation Act) was not required.

6. The amendment is to be effective when these articles are filed by the Secretary of State.

Dated as of this 31<sup>st</sup> day of JULY, 1990.

CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.

By: Robert Shelton

Title: CHAIRMAN

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**ARTICLES OF AMENDMENT TO THE CHARTER  
OF  
CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.**

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SECRETARY OF STATE

Pursuant to the provisions of Section 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is:

Chattanooga Neighborhood Enterprise, Inc.

2. The text of each amendment adopted is: Paragraph 3 of the charter is deleted in its entirety and the following inserted in lieu thereof:

3. The complete address of the corporation's principal office is:

1301 Market Street, Suite 100  
Chattanooga, Tennessee 37402

3. The corporation is a nonprofit corporation.

4. The amendment was duly adopted on October 26, 2001 by the Board of Directors.

5. The amendment is to be effective when these articles are filed by the Secretary of State.

Dated as of this 30<sup>th</sup> day of October, 2001.

*There are no members of the corporation; therefore no approval by members is required. Board of directors has approved this change.*

Chattanooga Neighborhood Enterprise, Inc.

By: David L. Berry  
David L. Berry, President

# State of Tennessee



## Department of State

### Certificate

*Handwritten:*  
Mull  
Shimber + Skopas  
4th St, First Commerce Bldg.  
Chatt., Tenn., 37402

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of

CHATTANOOGA NEIGHBORHOODS, INC. NAME CHANGED TO  
CHATTANOOGA NEIGHBORHOOD ENTERPRISE, INC.

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

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Therefore, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on April 28th, 19 87.



*Henry Crowell*  
Secretary of State  
by *Carolyn Pison*

IDENTIFICATION  
REFERENCE  
MAY 7 3 39 PM '87  
SARA P. GEFFRE  
REGISTER  
JAMILLON COUNTY  
STATE OF TENNESSEE

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