

BY-LAWS
OF
HEALTH AND EDUCATIONAL FACILITIES BOARD
OF THE CITY OF CHATTANOOGA, TENNESSEE

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

Article I - Offices

The principal office of the corporation in the State of Tennessee shall be located at 400 Pioneer Building, Chattanooga, Hamilton County, Tennessee 37402. The corporation may have such other offices in the City of Chattanooga, Tennessee, as the Board of Directors may designate or as the business of the corporation may require from time to time.

Article II - Board Meetings

Section 1. Annual Meeting. The Board shall hold annual meetings at its principal office or at such other offices in the City of Chattanooga, Hamilton County, Tennessee, as the Board of Directors may designate, on the first Wednesday of May at the hour of 1:30 o'clock p.m. if not a legal holiday, but if a legal holiday, then on the business day next following.

Section 2. Special Meetings. Special meetings of the Board may be held at any time, and the place and hour shall be fixed in the notice. Such meetings may be called by the Chairman 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. Place of Meeting. The Board may designate any place within Chattanooga, 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 4. Notice of Meeting. 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 delivered not less than ten (10) days nor more than thirty (30) days before the meeting, either personally or by mail, by or at the direction of the Chairman 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 address, with postage thereon prepaid.

Section 5. Voting. Only members of the Board shall be entitled to vote at the regular and special meetings of the Board. At all meetings, each Board member shall be entitled to one (1) vote.

Section 6. Quorum. A majority of the members of the Board shall be necessary for quorum. When a quorum is present, a majority of those present in person shall decide any question before the meeting.

Section 7. Proxies. The Chairman shall specifically direct in connection with each meeting whether proxies will be accepted for the purpose of a quorum and of voting upon matters to come before the Board, and his direction shall be controlling. Notice of each meeting shall specify whether or not proxies will be acceptable.

Section 8. Meetings Public. All meetings of the Board shall be open to the public as provided by Tennessee Code Annotated, Section 48-1908.

Article III - Responsibilities of the Board

Section 1. General Powers. The business and affairs of the corporation shall be managed by the members of the Board.

Section 2. Number, Tenure, and Qualifications. The number of Board members of the corporation shall be seven (7). These shall serve for staggered terms of six (6) years each as appointed by the Board of Commissioners of the City of Chattanooga, except that the first Board appointed shall have members with terms of two (2) years, four (4) years, and six (6) years as provided by Tennessee Code Annotated, Section 48-1907.

Section 3. Vacancies. Any vacancy occurring in the Board may be filled only by the Board of Commissioners of the City of Chattanooga. Nominees for any vacancy on the Board shall be made in the same manner as provided by the Charter of the corporation and Tennessee Code Annotated, Section 48-1907 for selection of the first Board. A Board member elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4. Compensation. As provided by Tennessee Code Annotated, Section 48-1907, all members of the Board shall serve without compensation.

Article IV - Officers

Section 1. Officers - Number. The officers of the corporation shall be three (3): one (1) Chairman, one (1) Vice Chairman, and one (1) Secretary-Treasurer.

Section 2. Election and Term of Office. The officers of the corporation to be elected by the Board shall be elected annually by the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death or until he shall resign or he shall have been removed in the manner hereafter provided.

Section 3. Removal. Any officer elected by the Board 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 for the unexpired portion of that term.

Section 5. Chairman. The Chairman shall be the principal executive officer of the corporation and, subject to the control of the Board, shall in general supervise and control all of the business affairs of the corporation. He shall, when present, preside at all meetings of the Board. He may sign, with the Vice Chairman or Secretary-Treasurer of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and the execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the Board from time to time.

Section 6. Vice Chairman. In the absence of the Chairman, or in the event of his death or inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and so acting, shall have all the powers of and be subject to all the restrictions on the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned by the Chairman of the Board.

Section 7. Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of the meetings of the Board in one or more books provided for that purpose; shall see that all notices are duly given in accordance with the provisions of these By-Laws as required by law; shall be custodian of the corporate records and accounts of the corporation; shall keep a register of the address of each Board member which shall be furnished to the Secretary-Treasurer by such Board member; shall in general perform all duties incident to the office of Secretary-Treasurer and such other duties as from time to time may be assigned by the Chairman or by the Board.

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

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract, including but not limited to mortgages and leases, 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.

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 unless authority is specifically given by a resolution of the Board. 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.

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 may select.

Article VI - Seal

This corporation shall have no seal.

Article VII - Fiscal Year

The fiscal year of the corporation shall begin on the first day of June and end on the thirty-first day of May in each year.

Article VIII - Dividends--Excess Earnings

The Board may not pay dividends. Excess earnings, if any, shall be disposed of as provided by Tennessee Code Annotated, Section 48-1913.

Article IX - Waiver of Notice

Whenever any notice is required to be given to any member of the Board of the corporation under the provisions of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article X - State Enabling Statutes Controlling

The provisions of Chapter 19, Title 48 of the Tennessee Code, relating to Health and Educational Facilities Corporations, Tennessee Code Annotated, Section 48-1901, et seq., and the provisions of the Charter of Incorporation 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 XI - Amendments

These By-Laws may be altered, amended, or repealed and any new By-Laws may be adopted by the Board after one hundred twenty (120) days notice in writing to the Board of Commissioners of the City of Chattanooga, all trustees for the holders of any bonds of the corporation then outstanding, and all purchasers and lessees of the corporation's projects, and after approval at two (2) meetings of the Board held not less than fifteen (15) days apart after the expiration of said one hundred twenty (120) day period.