

**CODE OF REGULATIONS
WALTON HILLS COMMUNITY IMPROVEMENT CORPORATION**

ARTICLE ONE
(NAME)

The name of this organization shall be Walton Hills Community Improvement Corporation (the "Corporation").

ARTICLE TWO
(LOCATION)

The principal location of said corporation shall be in Cuyahoga County, Ohio, and its principal offices shall be located therein.

ARTICLE THREE
(PURPOSE)

The purposes for which the Corporation is formed shall be: To advance, encourage and promote the industrial, economic, commercial and civic development of Cuyahoga County, Ohio and the political subdivisions located therein in accordance with Section 1724.02 of the Ohio Revised Code, to act as the designated agency of Cuyahoga County and any of its municipal corporations located therein which so designate, for the industrial, economic, commercial and civic development of such political subdivisions in order to lessen the burdens of said governmental agencies in accordance with Section 1724.10 of the Ohio Revised Code, to operate exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (or any corresponding provision of any future United States internal revenue law, collectively referred to as the "Code"), and to engage in any lawful act, activity or business not contrary to and in which a public benefit nonprofit corporation may be engaged under the laws of the State of Ohio.

ARTICLE FOUR
(MEMBERSHIP)

Section 1 – Original Directors. The Directors named by the incorporators of the Corporation shall be the first members and all directors thereafter elected by the members shall upon such election become members of the Corporation.

Section 2 – Trustee Resignation. Any member may resign at any time by notice in writing delivered to any officer or the Executive Director of the Corporation other than himself. The resignation of a member shall constitute resignation by such person as a trustee and as an officer.

ARTICLE FIVE
(MEETINGS OF MEMBERS)

Section 1 – Annual Meeting. There shall be an annual meeting of the members of the Corporation in the first quarter of each year, at such date, time and place as may be fixed by the President of the Corporation.

Section 2 – Special Meetings. Special meetings of the members may be called and the time, date and place (which shall be within 25 miles of the Village of Walton Hills, Ohio) of the meetings specified, by the President, the Executive Committee, or any 1/3 of the members of the Board of Directors.

Section 3 – Quorum. A majority of the members shall constitute a quorum for the transaction of business at any meeting of the members.

Section 4 – Voting. Any action which may be taken at a meeting of the members at which a quorum is present may be taken by a majority affirmative vote of the members present at such meeting. Voting by proxy shall not be permitted unless allowed under the Ohio Revised Code. In such case, any member may authorize another member by written proxy to vote for him/her on one or more questions voted on at a meeting of the members. If authorized under the Ohio Revised Code, and pursuant to procedure prescribed by the Board of Directors, votes may be cast by mail or electronic mail in any election to be held, or as to any other matter which is to be acted upon at a meeting of members. If allowed under the Ohio Revised Code, members voting at a meeting by proxy or by mail or electronic mail on any one or more questions, in accordance with this section, shall be deemed to be present at the meeting for the purposes of determining the presence of quorum. If allowed under the Ohio Revised Code, votes cast by proxy or mail or electronic mail shall be counted as if the members giving such proxy or mailing or electronically submitting such votes were present at the meeting and cast their votes thereat.

Section 5 – Meeting Notices. A written or printed notice of every annual or special meeting of the members, stating the time, place and purpose thereof, shall be given to each member entitled to vote thereat and to each member entitled to notice as provided by law, which notice may be given to a member in person or may be mailed or electronically mailed at least four (4) days before any such meeting. Any member may waive in writing, either before or after the holding of such meeting, any notice required to be given by law or under these regulations; and by attendance at any meeting without protesting the lack of proper notice, a member shall be deemed to have waived notice thereof.

ARTICLE SIX
(BOARD OF DIRECTORS)

Section 1 – Board of Directors. The Board of Directors shall be the governing Board of the Corporation and shall consist of not less than three nor more than twenty-five Directors as such number is fixed by the members from time to time. At any time during which the Corporation is acting as the designated agent of one or more political subdivision, in accordance with Chapter 1724, Revised Code of Ohio, not less than two-fifths of the Board of Directors shall

be composed of appointed or elected officers of such political subdivision or subdivisions, and at least one officer of such political subdivision shall be a member of the Board of Directors.

Section 2 – Board of Directors Composition. In order to comply with the requirements of Section 1 and to reflect current policy concerning the appointment of directors, and to improve such policy, the membership shall exercise its best efforts to designate Directors to represent major economic development stakeholders in Cuyahoga County. The membership should arrange to stagger terms for those directors who are subject to terms in such manner as to initially designate terms for each trustee as terms for four, three, two, or one year respectively for four year terms, or for two years or one year respectively for two year terms. Term limits shall apply to only those directors who have served two full terms for the position held. Term limits shall not apply to any person who has not been a trustee for a period of at least one year prior to his or her reappointment.

Section 3 – Removal of Trustee. A Trustee may be removed for good cause shown by the vote of a majority of the remaining members of the Board of Directors or may resign at any time by notice in writing delivered to any officer or Executive Director of the Corporation. Good cause includes three consecutive unexcused absences as determined by the President or acting in a manner that disrupts or causes harm to the Corporation. If a Trustee acts in a manner that disrupts or causes harm to the Corporation, the remaining Board of Directors must vote in favor of removal by a two-thirds majority.

Section 4 – Replacement of Directors. In the event of any vacancy caused by the death, removal or resignation of a Trustee or by the failure of the members to fill all the positions on the Board at the meeting which the number of Directors on the Board was fixed pursuant to Section 1 of this Article, any such vacancy may be filled by the vote of a majority of the remaining Directors.

ARTICLE SEVEN (MEETINGS OF THE BOARD OF DIRECTORS)

Section 1 – Annual and Organizational Meetings. After the annual meeting of the members, or special meeting in lieu thereof, the newly- elected Board of Directors, if a quorum thereof be present, shall hold an organizational meeting at the same place for the purpose of electing officers and transacting any other business.

Separate notice of such organizational meeting need not be given. If for any reason, said organizational meeting is not held at such time, a special meeting for such purpose shall be held as soon thereafter as practicable.

Section 2 – Regular Meetings. Regular meetings of the Board of Directors may be held at such time and places within 25 miles of the Village of Walton Hills, Ohio, as shall be provided by the Board of Directors. Notice of the schedule for regular meetings shall be posted in a manner and place that is readily accessible to the public. No separate notice of individual regular meetings need be given unless otherwise provided in the by-laws or with approval by the Board of Directors.

Section 3 – Special Meetings. Special meetings may be called by the President, the Executive Committee or any ten percent of the members of the Board of Directors. The notice of any special meeting shall set forth the time, date and place thereof (which shall be within 25 miles of the Village of Walton Hills, Ohio) and the person or persons calling such meeting shall cause notice to be given in compliance with the Ohio Open Meetings Act (currently ORC Section 121.22).

ARTICLE EIGHT (OFFICERS)

Section 1 – Officer Composition. As stated in Article Seven, Section 1, at the organizational meeting following each annual meeting, the Board of Directors shall elect from its membership a President, a Vice President, a Secretary, a Treasurer, and such other officers as the Board of Directors may see fit. Any two of the offices may be held by one person, but in any case in which the action of more than one officer is required, no one person shall act in more than one capacity. The immediate Past President of the Corporation shall also serve as an officer of the Corporation. The Board of Directors shall also choose an Executive Director at such organizational meeting by a majority vote. Such Executive Director shall not be a member of the Board of Directors and shall not have voting rights.

Section 2 – Officer Resignation. Any officer may resign at any time by notice in writing delivered to any officer or the Executive Director of the Corporation.

Section 3 – Replacement of Officers. In the event of the death, removal or resignation of an elected officer (other than the President if there is a Vice President in the office at the time), the Board of Directors shall elect a successor for the balance of the unexpired term of such officer. In the event of the death or resignation of the President (if there is a Vice President in office at the time), the Vice President shall assume the office of President for the balance of the unexpired term, and shall be deemed to have resigned the office of the Vice President.

ARTICLE NINE (DUTIES OF OFFICERS)

Section 1 – President. The President shall preside at meetings of the members of the Board of Directors, may designate the date, time and place of meetings of the members and Board of Directors as provided herein, may execute all authorized instruments, including without limitation contracts, bonds, notes, debentures, deeds, mortgages and other obligations in the name of the Corporation and shall perform such other duties as the Board of Directors may require.

Section 2 – Vice-President. In case of the absence or disability of the President, or when circumstances prevent the President from acting, the Vice President shall perform all of the duties of the President, and in such case shall have all of the powers and obligations of the President, and any such instruments so executed by the Vice President shall be as valid and binding as though executed by the President. The Vice President shall also perform such other duties as the Board of Directors may require.

Section 3 – Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and of the members and make a proper record of the same which shall be properly attested. The Secretary shall keep such books as may be required by the Board of Directors, shall preserve and maintain the minute books of the corporation, and shall otherwise perform the duties as may be required from time to time by the Board of Directors.

Section 4 – Treasurer. The Treasurer shall be the custodian of all funds and securities in other corporations and similar property belonging to the Corporation and shall do with the same as may be ordered by the Board of Directors. The Treasurer shall keep accurate financial accounts and hold the same open for examination of the Directors. On the expiration of term of office the Treasurer shall turn over to the successor or to the Board of Directors, all property, books, papers and monies of the Corporation.

Section 5 – Past President. The Past President shall participate in all Executive Committee meetings, if any.

Section 6 – Executive Director. The Executive Director shall be appointed by the Board of Directors and shall serve at the will of the Directors and shall represent the corporation in its day to day business affairs. He/she shall be responsible for carrying out the policies established by the Board of Directors, and the operation of the office. He/she shall make arrangements for regular meetings, special meetings, and the annual meeting of the Corporation. With Board of Trustee approval, the Executive Director may hire staff to assist with the duties of the Secretary, Treasurer or such other duties as needed, shall develop and maintain a budget, develop and maintain appropriate policies, and perform other duties to carry out the day to day business of the Corporation.

Section 7 – Officer Delegation. The Board of Directors is authorized to delegate the duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

Section 8 – Officer Bond. Any officer, if required by the Board of Directors, shall give bond in such form and with such security as the Board of Directors from time to time may require for the faithful performance of duties.

Section 9 – Financial Management. The Board of Directors shall select depositories for the safekeeping of the moneys of the Corporation and establish the procedure for deposit. The Board of Directors from time to time may authorize investment of moneys of the Corporation as are not then required in any obligations, in any manner in which a county or municipal corporation is authorized by the applicable sections of the Ohio Revised Code to invest its moneys.

ARTICLE TEN
(COMMITTEES)

Section 1 – Executive Committee. The Board of Directors may, by a majority affirmative vote of Directors present at a meeting of the Board where a quorum is present, create an Executive Committee as follows:

- (a) If created, the Executive Committee shall consist of the President, the Vice President, the Secretary, the Treasurer, the Past President, a Cuyahoga County Commissioner (or his/her designee), the Mayor (or his/her designee) of any municipal corporation which has designated the Corporation as its agency for economic development and the Executive Director. The President, or in the absence of the President, the Vice President, shall preside at the meetings of the Executive Committee.
- (b) Meetings of the Executive Committee, if created, shall be called by the President or by majority of the Executive Committee members. Three voting members of the Executive Committee shall constitute a quorum. During the intervals between meetings of the Board of Directors, an Executive Committee, if created, shall possess and may exercise all of the powers of the Board of Directors in the management and control of the business of the Corporation to the extent that the exercise of such powers are expressly permitted by law or otherwise do not constitute an unlawful delegation of fiduciary responsibility and may authorize expenditures consistent with the budget. All action taken by such Executive Committee shall be reported to the Board of Directors at its first meeting after such meeting of the Executive Committee, and all meetings of the Executive Committee shall comply with the Ohio Open Meetings Act (Ohio Revised Code Section 121.22).

Section 2 – Nominating Committee. The Nominating Committee shall oversee nominations for Board of Trustee members and officers and shall provide a report to the Board of Directors for its consideration no later than December 31 each year.

Section 3 – Other Committees. The Board of Directors may create other committees of the Board to consist of not less than three Directors, and may delegate to such committees such powers and duties of the Board as it shall deem appropriate. Except as otherwise provided by the Board of Directors, each such committee shall regulate its own procedure.

ARTICLE ELEVEN (INDEMNIFICATION OF DIRECTORS AND OFFICERS)

Each member of the Board of Directors and officer of the Corporation (and his/her heirs, executors and administrators) who is made a party to any litigation, action, suit or proceeding (whether civil, criminal, or administrative) by reason of his/her being or having been a trustee or officer of the Corporation or a Trustee, director or officer of any other Corporation which he/ she served at the request of the Corporation, shall be entitled to be indemnified by the Corporation against the reasonable expenses actually incurred by him/her in connection with the defense of such litigation, except in relation to the following matters:

- (a) Those as to which he/she shall finally be adjudged in such litigation to be liable because of dereliction in the performance of his/her duties as such trustee, director or officer, or

- (b) Those which have resulted in a judgment in favor of the Corporation and against him/her or which are settled by any payment by him/her to the Corporation.

Except in cases where above clause (a) or clause (b) applies, "expenses" shall be deemed to include attorneys' fees, fines and penalties imposed on such person, and amounts paid upon a plea of nolo contendere or similar plea or in compromise or settlement of the litigation or in satisfaction of judgments, if, and only if, such indemnification, and the amounts to be indemnified against, are approved as being reasonable in the circumstances by (1) the vote of a majority of the Directors of the Corporation in office if such majority are not involved in any such litigation, or (2) the vote of a majority of the numbers of the Corporation excluding for the purposes hereof the members involved in such litigation or (3) a court of competent jurisdiction. The foregoing right of indemnification shall not be exclusive of other rights to which such person, his/ her heirs, executors or administrators, may be entitled.

ARTICLE TWELVE
(AMENDMENTS TO CODE OF REGULATIONS)

This Code of Regulations may be amended by assent thereto by two-thirds of the members-at a meeting of such members, provided that written notice of the meeting was properly provided and that such notice stated the consideration of the amendment to be the purpose of the meeting.