

## CODE OF REGULATIONS

### OF

## CENTRALIZED REAL ESTATE INFORMATION SERVICES

### ARTICLE I: OPERATION OF MULTIPLE LISTING SERVICE

**Section 1. Authority; Name.** The primary purpose of the Corporation shall be to maintain and operate a multiple listing service called the Centralized Regional Information Systems ("CRIS"). Except as may otherwise be provided in this Code of Regulations, all business transactions or activities entered into by the Corporation are intended to be incidental or related to the maintenance and operation of a multiple listing service.

**Section 2. Purpose of Service.** A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

**Section 3. Service Area.** The area to be served by CRIS (the "Service Area") shall at all times be coextensive with the territorial jurisdiction for all of the following Boards of REALTORS® (collectively, the "Shareholder Boards/Associations," and each, a "Shareholder Board/Association"): the Akron Area Board of REALTORS® the Coshocton Board of REALTORS® the Portage County Association of REALTORS® the Stark County Association of REALTORS® the Tuscarawas County Board of REALTORS®, the Warren Area Board of REALTORS®, and the Youngstown Columbiana Association of REALTORS® and any other Board of REALTORS® whose members may from time to time participate in CRIS by agreement between such Board of REALTORS® and the Corporation.

**Section 4. Participation.** There shall be two categories of Participants: REALTOR® Participants (defined below) and Non-REALTOR® Participants (defined below). "Participant" as used in this Code of Regulations, shall refer to both classes of Participants unless otherwise designated.

**a. REALTOR® Participant.** Any REALTOR® member of a Shareholder Board/Association or any other REALTOR® Board/Association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be a REALTOR® Participant and shall be eligible to participate in CRIS upon agreeing in writing to conform to the Code of Regulations and the Rules, Regulations, and policies thereof and to pay the costs incidental thereto. Only REALTOR® Participants and REALTORS® affiliated with REALTOR® Participants, who are members of one or more Shareholder Boards/Associations (including secondary membership), may vote and hold office in the Corporation.

**b. Non-REALTOR® Participant.** Any Non-REALTOR® broker who is a principal, partner, corporate officer, or branch manager acting on behalf of the principal, shall be a Non-REALTOR® Participant and shall be eligible to participate in CRIS upon agreeing in writing to conform to the Code of Regulations and the Rules, Regulations, and policies thereof and to pay the costs incidental thereto, which costs need not be the same as costs charged to REALTOR® Participants. Non-REALTOR® Participants must supply evidence satisfactory to the Membership Committee that they have no record of official, unsatisfied sanctions involving unprofessional conduct as a previous member of a REALTOR® Board/Association. Non-REALTOR® Participants and those affiliated with Non-REALTOR® Participants shall not be eligible to vote or hold office in the Corporation.

**c.** No individual or entity, regardless of membership class (see subsections (a) and (b) above), shall be entitled to "Membership" or "Participation" in CRIS unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS

participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

**d.** Use of information developed or published by CRIS is strictly limited to the activities authorized in a Participant's licensure(s) or certification and all other uses are prohibited. The foregoing, however, is not intended to convey the right of access by a Participant to information developed or published by CRIS where access to such information is prohibited by law.

**e.** All applications for participation in CRIS shall be made in such manner and form as may be prescribed by the Board of Directors of the Corporation (the "Board") and made available to any individual qualified for participation under Section 4(a) or Section 4(b) above. The application form shall contain a signed statement of the applicant agreeing to abide by this Code of Regulations and other Rules, Regulations, and policies of CRIS now existing or hereafter adopted. Participants may discontinue participation in CRIS by giving the Corporation thirty days advance written notice and may reapply to CRIS at any time by making formal application in the manner prescribed for new applicants for participation, provided all past dues and fees are fully paid.

**Section 5. Service Charges.** All dues for participation in CRIS shall be determined and specified in this Code of Regulations or in other Rules, Regulations, or policies of CRIS now existing or hereafter adopted from time to time by the Board.

**Section 6. Operation.** CRIS shall be operated in accordance with this Code of Regulations and other Rules, Regulations, or policies now existing or hereafter adopted from time to time by the Board; provided that any action which, under the Corporation's Articles of Incorporation or any law of the State of Ohio, requires the action or approval of the Shareholders shall not be taken unless specifically approved by the Shareholders at a meeting or in writing in accordance with this Code of Regulations.

**Section 7. Meetings of Participants.** The annual meeting of Participants shall be held during the last six months of each calendar year, at the time and place specified by the Board.

Special meetings of the Participants may be called from time to time by the President of the Corporation, the Board, or 15% of the REALTOR® Participants. Written notice stating the date, place, and hour of the meeting, and the purpose or purposes for which the meeting has been called, shall be delivered to all Participants not less than seven days prior to said meeting.

For the transaction of business, the REALTOR® Participants in attendance at a meeting of the Participants shall be considered a quorum. A majority vote by the REALTOR® Participants present and voting at a meeting of the Participants shall be required for the passage of motions.

At all meetings of the Participants, the President of the Corporation, or in his absence, the President Elect of the Corporation shall serve as presiding officer. In the absence of the President and President Elect, the President shall name a temporary Chairman or, upon his failure to do so, the Board shall appoint a temporary Chairman.

**Section 8. Professional Standards and Arbitration.** REALTOR® Participants shall adhere to and abide by the professional standards system established by the Shareholder Board/Association of which they are members, or the Shareholder Board/Association which is designated by the REALTOR® Participant as the Shareholder Board/Association through which they are participating in CRIS. Non-REALTOR® Participants shall adhere to and abide by the Rules and Regulations of CRIS which shall specifically require that (a) Non-REALTOR® Participants agree to arbitrate contractual disputes with Participants in accordance with the professional standards system of the Shareholder Board/Association which that Non-REALTOR® Participant has designated as its Shareholder Board/Association for purposes of CRIS, and (b) Non-REALTOR® Participants agree to submit to the jurisdiction of the Shareholder Board/Association which that Non-REALTOR® Participant has so designated, including that Shareholder Board's/Association's professional standards system and procedures, with respect to alleged violations of the standards of

professional conduct set forth in the Rules and Regulations of CRIS.

**Section 9. Suspension and Expulsion.** REALTOR® Participants failing to maintain REALTOR® membership in a Shareholder Board/Association or any other REALTOR® Board/Association shall automatically cease participation in CRIS unless they apply for and meet the qualifications for Non-REALTOR® Participants, under Section 4(b), above, and the Rules and Regulations of CRIS.

CRIS shall immediately suspend its services to any Participant who fails to pay to CRIS any dues, fees, or assessments within thirty days of the date designated by CRIS. In such an event, that Participant shall be reinstated upon payment of all charges outstanding and a reinstatement processing fee in the amount established from time to time by the Board; provided, however, that suspension for more than thirty days constitutes expulsion and requires that a new application for participation be filed along with payment of full initiation fees and any and all past due amounts.

**NOTE:** In situations where there is more than one principal in a real estate firm, the chief principal officer of the firm is usually designated the "Participant". Brokers or salespersons other than principals are not considered "Participants" in the Service, but have access to and use of the services of CRIS through the principal(s) with whom they are affiliated.

**Section 10. Unilateral Offer of Compensation and Cooperation.** CRIS members should be advised that as a Participant of the CRIS MLS, you agree to unilaterally offer compensation and cooperation to any member of any other REALTOR MLS that agrees to offer the same in return to CRIS.

## **ARTICLE II: SHAREHOLDERS**

**Section 1. Annual Meeting.** The annual meeting of Shareholders, for the election of Directors, the consideration of reports to be presented at such meetings, and the transaction of other business as may properly come before the meeting, shall be held at such time and on such date during the last two months of each calendar year as may be fixed by the Board and stated in the notice of the meeting.

**Section 2. Special Meetings.** Special meetings of the Shareholders shall be called upon the written request of the President, the Directors by action at a meeting of the Board, a

majority of the Directors acting without a meeting, or of the holders of shares entitling them to exercise 25% of the voting power of the Corporation entitled to vote thereat. Calls for such meetings shall specify the purpose for such meeting. No business other than that specified in the notice shall be considered at any special meeting.

**Section 3. Notice of Meetings.** Unless waived, written notice of each annual or special meeting stating the time, place, and purpose thereof shall be given by personal delivery or by mail to each shareholder of record entitled to vote or entitled to notice of the meeting, not more than 60 days nor less than seven days before any such meeting. If mailed, such notice shall be directed to the shareholder at his or its address as the same appears upon the records of the Corporation. Any shareholder, either before or after any meeting, may waive any notice required to be given by law or under this Code of Regulations.

**Section 4. Place of Meeting.** Meetings of Shareholders shall be held at the principal office of the Corporation unless the Board determines that a meeting shall be held at some other place within or without the State of Ohio and causes the notice thereof to so state.

**Section 5. Quorum.** The holders of shares entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at such meetings; provided, however, that no action required by law or by the Articles of Incorporation or this Code of Regulations to be authorized or taken by the holders of a designated proportion of the shares of any particular class or of each class may be authorized or taken by a lesser proportion. The holders of shares entitling them to exercise a majority of the voting power represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time, until a quorum shall be present.

**Section 6. Record Date.** The Board may fix a record date for any lawful purpose, including without limitation the determination of Shareholders entitled to: (a) receive notice of or to vote at any meeting, (b) receive payment of any dividend or other distribution, (c) receive or exercise rights of purchase of, subscription for, or exchange or conversion of, shares or other securities, subject to any contract right with respect thereto, or (d) participate in the execution of written consents, waivers, or releases. Any such record date shall not be more than 60 days preceding the date of such meeting, the date fixed for the payment of any dividend or other distribution, or the date fixed for the receipt or the exercise of rights, as the case may be.

If a record date shall not be fixed, the record date for the determination of Shareholders who are entitled to notice of, or who are entitled to vote at, a meeting of Shareholders, shall be the close of business on the date next preceding the date on which notice is given, or the close of business on the date next preceding the date on which the meeting is held, as the case may be.

**Section 7. List of Shareholders at Meeting.** Upon request of any shareholder at any meeting of Shareholders, there shall be produced at the meeting an alphabetically arranged list, or classified lists, of the Shareholders of record as of the applicable record date who are entitled to vote, showing their respective addresses and the number and classes of shares held by them.

**Section 8. Action in Writing in Lieu of Meeting.** Any action which may be authorized or be taken at a meeting of the Shareholders, may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the Shareholders who would be entitled to notice of a meeting of the Shareholders held for that purpose.

**Section 9. Order of Business.** The order of business at each meeting of the Shareholders shall be fixed by the chairman of the meeting (who shall be the President, or in his absence, the President-Elect) at the beginning of the meeting but may be changed by the vote of the holders of shares entitling them to exercise a majority of the voting power of the Shareholders present in person or by proxy and entitled to vote.

**Section 10. Proxies.** Any Shareholder who is entitled to attend a shareholder(s) meeting, to vote thereat, or to execute consents, waivers, or releases, may be represented at such meeting or vote thereat, and execute consent, waivers, and releases, and exercise any of his rights, by proxy or proxies appointed by a writing signed by such person. Except as otherwise specifically provided in this Code of Regulations, actions taken by proxy shall be governed by the provisions of '1701.48, Ohio Revised Code, or any similar statute which may hereafter be enacted, including the provisions relating to the sufficiency of the writing, duration of the validity of the proxy, power of substitution, revocation, and all other provisions.

**Section 11. Payments to Shareholders.** To the extent that any Shareholder provides facilities or services to the Corporation (whether for the operation of CRIS or otherwise), the Corporation shall pay that shareholder fair value for those facilities and services.

**Section 12. Shareholders Review of Budgets.** In addition to any other rights the Corporation's Shareholders may have with respect to review of the Corporation's books and records, the Corporation's Shareholders, and their representatives, shall have the right to review the Corporation's budgets from time to time during the Corporation's normal business hours upon reasonable prior written notice to the Corporation.

### **ARTICLE III: BOARD OF DIRECTORS**

**Section 1. General Powers of Board.** The powers of the Corporation shall be exercised, its business and affairs shall be conducted, and its property shall be controlled by the Board, except as otherwise provided by laws of the State of Ohio, the Corporation's Articles of Incorporation, or this Code of Regulations.

**Section 2. Number and Designation of Directors.** Until changed in accordance with the provisions of this Code of Regulations, the Board shall consist of one director for each Shareholder Board/Association, plus one 1 Director for each 500 REALTOR® members of each Shareholder Board/Association, determined as of September 1 of the year preceding the year during which the Directors shall serve as a Director of the Corporation. In addition, there will be four 4 firm directors serving one-year terms that have the highest number of sold transactions sides during an annual September to September time frame from the preceding year. All such Directors shall be REALTOR® members. Each Shareholder Board/Association shall designate the number of Directors to which it is entitled to appoint to the Board based upon the number of its REALTOR® members in any manner it desires in its sole discretion; however, it is recommended that each Shareholder Board/Association, where possible, designate Directors for three year terms, not to run concurrently, so that there will always be experienced Directors on the Board. Each Shareholder Board/Association shall also designate one alternate per organization. In addition, each Board/Association shall be given 1 alternate for every 1,000 REALTOR® members they report to the MLS. In such event, the alternate shall serve in place of the absent Director and have all privileges of the absent Director, including the right to vote. (Note: To allow for a smooth leadership transition, new directors or alternates not already serving on the board shall be allowed to attend board meetings during the forth quarter of the calendar year prior to their official nomination with Presidential approval and such attendance will not count against the shareholder board's alternate count described above. It is asked however that these alternates,

to be referred to as silent alternates, attend only as an observer with no participation in the meeting as a result.)

**Section 3. Election of Directors.** At the annual meeting of the Shareholders, the Shareholders shall elect those individuals designated by each of the Shareholder Boards/Associations (in Section 2, above) as the Directors until the next annual meeting of the Shareholders.

**Section 4. Term of Office.** Each Director shall serve the Board for a one-year term, and may be redesignated under Section 2 by the appropriate Shareholder Board/Association to serve any number of consecutive terms. Officers succeeding to offices in the following year must be redesignated by their Shareholder Boards/Associations as one or more of their designated Directors and their names shall so appear on the slate referred to in Section 3, above.

**Section 5. Qualifications.** All Directors shall be members in good standing of a Shareholder Board/Association and shall be Participants or affiliated with Participants in CRIS. Directors shall serve without compensation.

**Section 6. Resignations.** Any Director may resign by giving written notice to the President of the Corporation. Such resignation shall take effect at the time specified therein. Unless otherwise specified therein, the acceptance of a resignation shall not be necessary to make it effective.

**Section 7. Removal.** Any Director who ceases to be a REALTOR® in good standing of a Shareholder Board/Association, ceases to be a REALTOR® Participant or affiliated with a REALTOR® Participant in CRIS, or is disqualified from serving or is unable to serve for any reason, shall be removed from office by action of the Board. In addition, the failure of any Director to attend two regular or special meetings of the Board in any year, without an advance excuse acceptable to the Board, may be removed by action of the Board.

**Section 8. Vacancies.** Any vacancy on the Board shall be filled by the Shareholder Board/Association that designated such person under Section 2, above. The person appointed to fill the vacancy shall serve the remainder of the vacant term.

**Section 9. Organization of Meetings.** At each meeting of the Board, the President, or, in his absence, the President Elect, Treasurer or Secretary or then a chairman chosen by a majority of the Directors present, shall act as chairman. The secretary of the Corporation, or, if the secretary shall not be present, any person

whom the chairman of the meeting shall appoint, shall act as secretary of the meeting.

**Section 10. Place of Meetings.** Meetings of the Board shall be held at such place or places, within or without the State of Ohio, as may from time to time be fixed by the Board or as shall be specified or fixed in the notice of the meeting.

**Section 11. Meetings.** Regular meetings of the Board, shall be scheduled by the Board, not less than quarterly, on an as needed basis. Special meetings of the Board shall be held whenever called by the President or by any five Directors.

**Section 12. Notices of Meetings.** Every Director shall furnish the secretary of the Corporation with an address at which notices of meetings and all other corporate notices may be served on or mailed to him. Unless waived before, at, or after the meeting as hereinafter provided, notice of each Board meeting shall be given by the President, the Secretary, or the persons calling such meeting, to each Director in any of the following ways:

- (a) By orally informing him of the meeting in person or by telephone not later than two days before the date of the meeting.
- (b) By delivering written notice to him not later than two days before the date of the meeting.
- (c) By mailing written notice to him, or by sending notice to him by email, broadcast notice, postage or other costs prepaid, addressed to him at the address furnished by him to the secretary of the Corporation, or to such other address as the person sending the notice shall know to be correct. Such notice shall be posted or dispatched a sufficient length of time before the meeting so that in the ordinary course of the mail or the transmission of emails, broadcast notices, and delivery would normally be made to him not later than two days before the date of the meeting.

Unless otherwise required by the Articles of Incorporation, this Code of Regulations, or the laws of the State of Ohio (for example, see the provisions of the Code of Regulations with respect to the election or removal of Directors), the notice of any meeting need not specify the purposes of the meeting. Notice of any meeting of the Board may be waived by any Director, either before, at, or after the meeting, in writing, email or broadcast notice.

**Section 13. Notice of Adjournment of Meeting.** Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at the meeting.

**Section 14. Quorum and Manner of Acting.** A majority of the number of Directors elected pursuant to Section 3, above, must be present in person at such meeting in order to constitute a quorum for the transaction of business, provided that meetings of the Directors may include participation by Directors through any communications equipment if all Directors participating can hear each other, and such participation in a meeting shall constitute presence at such meeting. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of those present may adjourn a meeting from time to time until a quorum is present. Notice of an adjourned meeting need not be given. The Directors shall act only as a Board. Individual Directors shall have no power as such.

**Section 15. Order of Business.** The order of business at meetings of the Board shall be such as the chairman of the meeting (who shall be the President, or in his absence, the President-Elect) may prescribe or follow, subject, however, to his being overruled with respect thereto by a majority of the members of the Board present.

**Section 16. Action in Writing in Lieu of Meeting.** Any action which may be authorized or taken at a meeting of the Directors may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the Directors.

**Section 17. Executive and Other Committees.** The Executive Committee is comprised of the President, President Elect, Treasurer, Secretary, Past President and Chief Executive officer. The Directors may create and from time to time abolish or reconstitute an executive committee and any other committee or committees of Directors each to consist of not less than three Directors, and may delegate to any such committee or committees any or all of the authority of the Directors, however conferred, other than that of filling vacancies in the Board or in any Committee of Directors. Each such committee shall serve at the pleasure of the Directors, and shall act only in the intervals between meetings of the Board. The Directors may adopt or authorize the committees to adopt provisions with respect to the government of any such committee or committees which are not inconsistent with applicable law, the Articles of Incorporation of the Corporation, or this Code of Regulations. An act or authorization of any act by any such committee within the authority properly delegated to it by the Directors shall be as effective for all purposes as the act or

authorization of the Directors. Any right, power, or authority conferred in these regulations to the "Directors" or to the "Board" shall also be deemed conferred upon each committee or committees of Directors to which any such right, power, or authority is delegated (expressly, or by general delegation, or by necessary implication) by the Board.

**Section 18. Rules of Order.** For the government of its actions, the Board may adopt rules of order or parliamentary procedures consistent with the Corporation's Articles of Incorporation and this Code of Regulations.

#### **ARTICLE IV: OFFICERS**

**Section 1. General Provisions.** The officers of the Corporation shall be a President, a President Elect, a Secretary, a Treasurer, and an Immediate Past President, and Chief Executive Officer. Except for the initial meeting of the Board during which the Board shall elect all of the initial officers, at each annual meeting of the Board or at a Board meeting following the annual meeting and prior to year end, the Board shall elect a President, a new President Elect, a Secretary and a new Treasurer to serve in the following year. The officers shall be chosen from among the current directors. Each President shall automatically succeed to the office of Immediate Past President following the expiration of his term as President. The President Elect shall automatically succeed to the office of President. The Treasurer shall automatically succeed to the office President Elect.

**Section 2. Term of Office, Vacancies.** The officers of this Corporation other than officers elected to serve in the year of Incorporation and officers elected to fill a vacancy shall serve for a one-year term, commencing on January 1 following their election, unless sooner removed by the Board in accordance with Section 3 below. A vacancy in any office, however created, shall be filled by the Board. No officer, except the Secretary, may serve in the same capacity for two consecutive years. However, if there is a vacancy in the CEO position, the Executive Committee may appoint an interim CEO subject to approval by the Board of Directors.

**Section 3. Removal.** Any officer of the corporation may be removed for cause by the affirmative vote of two-thirds of the Board present at a hearing for that purpose. Such officer shall be given ten (10) days written notice of the date of such hearing, together with a written statement of the charges against him, and he shall have the right to appear and present evidence at such hearing.

**Section 4. Resignations.** Any officer may resign by giving written notice to the Board. Such resignation shall take effect at the time specified in such notice. Unless otherwise specified in such notice, the acceptance of a resignation shall not be necessary to make it effective.

#### **ARTICLE V: DUTIES OF OFFICERS**

**Section 1. President.** The President shall preside at all meetings of Shareholders, all meetings of the Board, and all meetings of the Participants of CRIS. He shall have authority to sign all certificates for shares and all deeds, mortgages, bonds, agreements, notes, and other instruments requiring his signature; and shall have all the powers and duties prescribed by Chapter 1701 of the Revised Code of Ohio and such others as the Board may from time to time assign to him.

**Section 2. President Elect.** The President Elect shall have such powers and duties as may from time to time be assigned to him by the Board or the President. At the request of the President, or in the case of the President's absence or disability, the President Elect shall perform all the duties of the President and, when so acting, shall have all the powers of the President, including without limitation, the authority to sign in the name of the Corporation certificates for shares and deeds, mortgages, bonds, agreements, notes and other instruments on behalf of the President. Once an officer reaches the position of President Elect, he will automatically become President the following year without a further vote.

**Section 3. Secretary.** The Secretary shall have authority to execute and deliver certificates as to any of such proceedings and any other records of the Corporation; shall have authority to sign all certificates for shares and all deeds, mortgages, bonds, agreements, notes and other instruments to be executed by the Corporation which require his signature. The Secretary shall oversee the Executive Director/Officer in the performance of all corporate duties assigned and describe in Article V, Section 7.

In addition, the Secretary shall immediately notify each of the Corporation's Shareholders of any transactions or other matters outside the ordinary course of the Corporation's business which could have a material adverse impact, financial or otherwise, on the Corporation or each of the Corporation's Shareholders, including without limitation legal actions, proceedings, investigations, audits or similar actions taken or which may be taken against the Corporation by the Internal Revenue Service, the Federal Trade Commission, or any other governmental agency or

authority, or any material claim made or legal action, whether criminal or civil, threatened against the Corporation.

**Section 4. Treasurer.** The Treasurer shall have general supervision of all finances; he shall oversee all money, bills, notes, deeds, leases, mortgages, and similar property belonging to the Corporation, and shall do with the same as may from time to time be required by the Board; and he shall be responsible for overseeing the process of paying or causing to be paid all bills for the Corporation. The Treasurer shall cause to be kept complete and accurate account of the business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, stated capital and shares, together with such other accounts as may be required, and upon the expiration of his term of office shall turn over to his successor or to the Board all property, books, papers, and money of the Corporation under his control, and shall have such other powers and duties as may from time to time be assigned to him by the Board or the President. Once an officer reaches the position of Treasurer, he will automatically become President Elect the following year without a further vote.

The Treasurer shall distribute to all Directors and each of the Corporation's Shareholders a monthly statement of all accounts and financial affairs of the Corporation; shall render an annual report to all Directors and each of the Corporation's Shareholders at the close of each year; and shall render such additional statements as may be requested by the Board or a majority of the Shareholders from time to time.

**Section 5. Immediate Past President.** The Immediate Past President shall serve on the Executive Committee and the Board as a full voting member and shall have such other powers and duties as may from time to time be assigned to him by the Board.

**Section 6. Duties of Officers may be Delegated.** In the absence of any officer of the Corporation, or for any other reason the Board may deem sufficient, the Board may delegate, for the time being, the power or duties, or any of them, of such officers to any other officer, or to any Director.

**Section 7. Executive Director/Officer:** The Executive Director/Officer shall be responsible for the keeping of minutes of all the proceedings of the Shareholders and Board (including all of the Executive Committees) and shall make proper record of the same, which shall be attested by him; shall provide each of the Corporation's Shareholders with copies of all minutes from meetings of the Board, the Executive Committee, any other special or standing committee hereafter established; shall cause publication of all notices as directed by the President or the Board; shall give notice of meetings of Shareholders and the Board; shall

produce on request at each meeting of Shareholders a certified list of Shareholders arranged in alphabetical order; shall keep such books and records as may be required by law or by the Board; shall administer and oversee the entire CRIS operation and, in general, shall perform all duties incident to the office of Executive Director/Officer and such other duties as may from time to time be assigned to him by the Board or the President.

## **ARTICLE VI: INDEMNIFICATION AND INSURANCE**

**Section 1. Indemnification in Non-Derivative Actions.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Corporation, by reason of the fact that he is or was a Director, officer, employee, volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, volunteer, or agent of another Corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in and not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, did not have reasonable cause to believe that this conduct was unlawful.

**Section 2. Indemnification in Derivative Actions.** The Corporation shall indemnify any person who is or was a party, or is threatened to be made a party, or any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee, volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, volunteer, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he

reasonably believed to be in, and not opposed to, the best interests of the Corporation, except that no indemnification shall be made with respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless, and only to the extent that the Court of Common Pleas, or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to be indemnified for such expenses as the Court of Common Pleas or such court shall deem proper.

**Section 3. Indemnification as Matter of Right.** To the extent that a Director, trustee, officer, employee, volunteer, or agent has been successful on the merits or otherwise in defense of any action, suit, or proceedings referred to in Sections 1 and 2 of this Article or in the defense of any claim, issue, or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.

**Section 4. Determination of Conduct.** Any indemnification under Sections 1 and 2 of this Article, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee, volunteer, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. Such determination shall be made (a) by a majority vote of a quorum consisting of Directors of the Corporation which were not and are not parties to, or threatened with any such action, suit, or proceeding, or (b) if such a quorum is not obtainable or if a majority vote of a quorum of disinterested Directors so directs, in a written opinion by independent legal counsel, other than an attorney or a firm having associated with an attorney who has been retained by or who has performed services for the Corporation or any person to be indemnified within the past five years, or (c) by the shareholder(s), or (d) by the Court of Common Pleas or the court in which such action, suit, or proceeding was brought. Any determination made by the disinterested Directors under clause (a) above or by independent legal counsel under clause (b) above shall be promptly communicated to the person who threatened or brought the action or suit, by or in the right of the Corporation under Section 2 of this Article, and within 10 days after receipt of such notification, such person shall have the right to petition the Court of Common Pleas or the court in which such action or suit was brought to review the reasonableness of such determination.

**Section 5. Advance Payment of Expenses.** Expenses, including attorneys' fees, incurred in defending any action, suit, or

proceeding referred to in Sections 1 and 2 of this Article, may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee, volunteer, or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

**Section 6. Non-exclusivity.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation or this Code of Regulations, or any agreement, vote of Shareholders or disinterested Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a Director, officer, employee, volunteer or agent and shall inure to the benefit of the heirs, executors, administrators of such a person.

**Section 7. Liability Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, volunteer, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, volunteer, or agent of another Corporation, domestic or foreign, nonprofit or profit, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article or of Chapter 1701 of the Ohio Revised Code.

## **ARTICLE VII: CERTIFICATES OF SHARES**

Section 1. Form and Execution. Certificates for shares, certifying the number of fully paid shares owned, shall be issued to each shareholder in such form as shall be approved by the Board. Such certificates shall be signed by the President or President Elect and by the Secretary or Treasurer; provided, however, that if such certificates are countersigned by a transfer agent or registrar, the signatures of any of said officers upon such certificates may be facsimiles, engraved, stamped or printed. If any officer or officers, who shall have signed, or whose facsimile signature shall have been used, printed or stamped on any certificate or certificates for shares, shall cease to be such officer or officers, because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or

certificates, if authenticated by the endorsement thereon of the signature of a transfer agent or registrar, shall nevertheless be conclusively deemed to have been adopted by the Corporation by the use and delivery thereof and shall be as effective in all respects as though signed by a duly elected, qualified, and authorized officer or officers, and as though the person or persons who signed such certificate or certificates, or whose facsimile signature or signatures shall have been used thereon, had not ceased to be an officer or officers of the Corporation.

**Section 2. Registration of Transfer.** Any certificate for shares of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent therefore (for the class of shares represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement.

**Section 3. Lost, Destroyed, or Stolen Certificates.** A new share certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed, or wrongfully taken upon (a) the execution and delivery to the Corporation by the person claiming the certificate to have been lost, destroyed, or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction, or taking, the certificate was endorsed, and (b) the furnishing to the Corporation of an indemnity and other assurances satisfactory to the Corporation and to all transfer agents and registrar of the class of shares represented by the certificate against any and all losses, damages, costs, expenses, or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

**Section 4. Registered Shareholders.** A person in whose name shares are of record on the books of the Corporation shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such shares on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obligated to see to the execution of any trust or obligation.

#### **ARTICLE VIII: FISCAL YEAR**

The fiscal year of the Corporation shall begin on August 1 and end on the last day of July in each year or on such other date as may be fixed from time to time by the Board.

#### **ARTICLE IX: SEAL**

The Board may provide a suitable seal containing the name of the Corporation. If deemed advisable by the Board, duplicate seals may be provided and kept for the purposes of the Corporation.

#### **ARTICLE X: AMENDMENT OF REGULATIONS**

This Code of Regulations may be amended or restated: (a) at any meeting of the Shareholders held for such purpose, by the affirmative vote of the holders of record of shares entitling them to exercise a majority of the voting power on such proposal; or (b) without a meeting of the Shareholders, by the written consent of the holders of record of shares entitling them to exercise a majority of the voting power on such proposal. If any amendment or new regulations are adopted without a meeting of the Shareholders, the secretary shall mail a copy of the amendment or new regulations to each shareholder who would have been entitled to vote on the proposal but who did not participate in the adoption of the amendment or new regulations.

#### **ARTICLE XI: RESTRICTIONS ON TRANSFER OF SHARES**

**Section 1. Restriction on Transfer and Offer to Company.** Except as hereinafter provided in this Article XI, no Shareholder may sell, transfer, or otherwise dispose of all or any of its shares without first offering those shares to the Corporation for purchase at a price equal to the fair market value of such shares as at the last day of the calendar month immediately preceding the month in which such offer is made. Such offer shall be made in writing and delivered to the Corporation at its principal office. Any dispute as to such fair market value shall be referred to a firm of certified public accountants (which may be the Corporation's regular accounting firm) which shall be selected by the Board, whose decision shall be binding on the Corporation and all Shareholders. In accepting such offer, the Corporation shall have the right to purchase all or any of the shares offered to it. Such offer shall remain open for acceptance by the Corporation for 60 days after receipt of such offer, unless the Corporation notifies the offering Shareholder of its election not to purchase, in which case the right of the Corporation shall expire on the date of such notice. In the event such offer is accepted in whole or part, the purchase price shall be due and payable within 60 days after such acceptance or as the parties may otherwise agree.

**Section 2. Offer to the Remaining Shareholders.** In the event and to the extent that the purchase right referred to in Section 1, above, is not exercised by the Corporation (whether for lack of legal authority or for any other reason), the shares proposed to be transferred shall be offered for sale to the remaining Shareholders of the Corporation who hold shares of the same class as the shares proposed to be transferred at the same price as the shares were offered to the Corporation. Such offer shall remain open for a period of 30 days after the Corporation's right has expired. Such remaining Shareholders shall be entitled to purchase such shares ratably in proportion to their respective holdings of shares; provided that any Shareholder shall have the right to purchase less than all of the shares to which he may be entitled. In the event that all of the shares so offered to such remaining Shareholders are not purchased, the remaining Shareholders who purchased all of the shares to which they were entitled shall have the further right to purchase any of the offered shares not purchased by the other remaining Shareholders ratably in proportion to their respective holdings of shares. Comparable offers to purchase shall be made to such remaining Shareholders until all of the shares are purchased or until no remaining Shareholder desires to purchase any shares. In the event any offer is accepted by any or all of such remaining Shareholders of the Corporation in whole or part, the purchase price shall be due and payable within 60 days after the last such acceptance or as the parties may otherwise agree.

**Section 3. Disposition to Outside Parties.** In the event and to the extent neither the Corporation nor the remaining Shareholders elect to purchase all of the shares offered as provided in Sections 1 and 2, above, the offering Shareholder (or his executor or administrator in the case of a deceased Shareholder) shall have the right to sell, transfer, or otherwise dispose of any shares not so purchased to such other party or parties as he desires for a period of 120 days after expiration of the right to purchase of the remaining Shareholders as described in Section 2, provided that: (a) such shares may not be sold, transferred, or otherwise disposed of to any other party at a lesser price or on more favorable terms than those provided above without again offering such shares to the Corporation and the remaining Shareholders at such lesser price or on such more favorable terms, and (b) in the event of any such sale, transfer, or other disposition, the person acquiring such shares shall acknowledge in writing to the Corporation his receipt of a copy of the restrictions contained in this Article XI and his agreement to be bound by such restrictions (any such person, even absent such written acknowledgment, being bound by such restrictions through his acceptance of possession of such shares). After such 120-day period, these restrictions shall again apply and be in full force and effect.

**Section 4. Bankruptcy of a Shareholder.** In the event of the insolvency or the appointment of a receiver of any property of any Shareholder, or an assignment for the benefit of creditors, filing of a petition of bankruptcy, or commencement of any proceedings under any bankruptcy or insolvency laws by or against any holder of common shares or preferred shares of the Corporation, the shares owned by such Shareholder on the date of any such event shall be deemed to be offered for sale in the manner provided in Sections 1 and 2, above, at the fair market value thereof determined as provided in Section 1. The offer to the Corporation shall remain open for acceptance for a period of 180 days after the date of the appointment of the receiver or trustee in bankruptcy. In the event the Corporation elects not to purchase all or any part of the shares so offered, the subsequent offer to the remaining Shareholders shall remain open for acceptance for an additional period of 30 days. In the event and to the extent the remaining Shareholders choose not to purchase, such shares shall remain the property of such Shareholder or shall be disposed of pursuant to a decree or order of any court or agency having jurisdiction under federal or state law. In the absence of any order of disposition by any court having such jurisdiction, such shares shall be and remain subject to the provisions and restrictions contained in this Article XI.

**Section 5. Waiver of Requirements.** The Board may waive the restrictions on the right to sell, transfer, or otherwise dispose of any shares under this Article XI, in whole or part, and may waive the rights of the Corporation and the remaining Shareholders to purchase any shares proposed to be sold, transferred, or otherwise disposed of. The Board may also waive the restrictions, purchase rights, and other application of this Article XI with respect to some but not all issued shares of any class, as it determines appropriate, in its discretion, and subject to such conditions as may be specified by the Board. Any waiver under this Section 5 with respect to any sale, transfer, or other disposition shall not affect any restrictions or purchase rights which otherwise would apply to any other sale, transfer, or other disposition. The Board may exercise its authority under this Section 5 in any manner which it determines appropriate, in its discretion, and may exercise or refrain from exercising such authority inconsistently under the same or similar circumstances as it determines appropriate, in its discretion.

**ARTICLE XII: CLOSE CORPORATION AGREEMENT**

This Code of Regulations constitutes a Close Corporation Agreement and shall be governed by Ohio Revised Code 1701.591. This Code of Regulations may be superseded or suspended in total or in part, at any time from time to time, by any other close corporation agreements between the Shareholders of the corporation as permitted and governed by Ohio Revised Code 1701.591 of similar statute of the State of Ohio hereinafter enacted.

**ARTICLE XIII: LEGEND ON SHARE CERTIFICATES**

The Corporation shall cause each certificate evidencing the ownership of any shares which it issues to bear substantially the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON THE RIGHT TO TRANSFER THE SHARES WHICH ARE CONTAINED IN THE CODE OF REGULATIONS OF THE CORPORATION. THE CORPORATION WILL MAIL TO THE SHAREHOLDER A COPY OF SUCH RESTRICTIONS WITHOUT CHARGE WITHIN FIVE DAYS AFTER RECEIPT OF WRITTEN REQUEST THEREFOR.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO TERMS CONTAINED IN THE CODE OF REGULATIONS ON FILE AT THE OFFICE OF THE CORPORATION. THE CORPORATION WILL MAIL TO ANY SHAREHOLDER A COPY OF SUCH TERMS WITHOUT CHARGE, WITHIN FIVE (5) DAYS AFTER RECEIPT OF WRITTEN REQUEST THEREOF. THE CODE OF REGULATIONS CONSTITUTES A CLOSE CORPORATION AGREEMENT AS GOVERNED BY OHIO REVISED CODE 1701.591.

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