

**CODE OF REGULATIONS
OF
BLANCHARD RIVER WATERSHED PARTNERSHIP**

ARTICLE I

MEMBERS

Section 1.01 - Members

The Members of this corporation shall be individuals who have been approved for membership in the Corporation by the Board of Directors and who shall make the annual contribution to the Corporation in such amounts as the Board of Directors shall determine. Each Member shall be entitled to one vote.

Section 1.02 - Meetings

- a. An annual meeting of the corporation for the election of Directors, for the consideration of reports and for such other business as may be brought before the meeting shall be held in January each year or on such other date as may be designated by the Board of Directors.
- b. Any special meetings of the corporation may be called by the President, if any, a majority of the Board of Directors, or upon the written request of not less than twenty (20) Members.
- c. Meetings of the corporation may be held at any place within or without the State of Ohio.

Section 1.03 - Notice of Meeting

- a. Written notice of the time and place of each meeting shall be given either by personal delivery, or by mail, telegram or cable at least ten (10) but not more than forty-five (45) days before each meeting.
- b. The Members may waive notice of the time and place of any meeting of the corporation, either before or after the holding of the meeting.

Section 1.04 - Action Without Meeting

- a. Any action, which may be authorized or taken at a meeting of the corporation, may be taken without a meeting with the affirmative approval of, and in a writing or writings signed by the Members.

b. Any such writings shall be filed with or entered upon the records of the Corporation.

Section 1.05 - Voting

a. The Members shall exercise its right to vote at any meeting or to consent to any action without a meeting through its President, if any, Treasurer, or Secretary unless before such vote is taken or consent is given the Board of Directors of the Members provides a certified copy of a resolution stating that such authority is vested on some other officer or person.

b. At any meeting of the Members, the Members may be represented at such meeting, and execute such consents or waivers, and exercise any of its other rights, by proxy or proxies appointed by a writing signed by its President, if any, Treasurer or Secretary.

ARTICLE II

BOARD OF DIRECTORS

Section 2.01 - General Powers

a. The powers of the Corporation shall be exercised, its business and affairs conducted, and its property managed under the direction of the Board of Directors, except as otherwise provided by the law of the State of Ohio, by the Articles of Incorporation, or by this Code of Regulations.

b. Notwithstanding anything contained herein, the following corporate actions shall require the approval of the Members in addition to the affirmative action of a majority of the Board of Directors of the Corporation:

- (1) Adoption of the Corporation's annual operating and capital budgets;
- (2) Expenditures for (i) non-budgeted items in excess of \$5,000, (ii) items which are included in the Corporation's annual budgets but which exceed the budgeted amount by \$5,000 or more, and (iii) executive compensation;
- (3) Submission of any certificate of need application with any state or federal regulatory agency;
- (4) Execution of any contract with a term in excess of one year;
- (5) Appointment of the Corporation's auditors and/or accountants;
- (6) Adoption of the Corporation's long-range plans and management

objectives, including the execution of any agreement with consortiums, alliances, etc.; and

(7) Sale, lease or other disposition of any real or personal property of the Corporation comprising a significant portion of the Corporation's operating assets.

(8) Amendments to the Articles of Incorporation of the Corporation.

Section 2.02 - Bylaws

The Board of Directors may adopt Bylaws to govern its own proceedings so long as the Bylaws are consistent with the laws of the State of Ohio, the Articles of Incorporation and this Code of Regulations.

Section 2.03 - Number

(a) The Board of Directors shall consist of not less than three (3) or more than ten (10) Directors.

(b) Without amendment to this Code of Regulations, the number of Directors may be fixed or changed by resolution of the Board of Directors.

(c) No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

Section 2.04 - Term

(a) The Directors shall be elected for two (2) year terms.

(b) The Directors shall be divided into two (2) classes with each class consisting of an equal number of Directors to the extent possible. Each class shall be designated consecutively Class I and Class II with one class being elected each year. Each Director of each Class shall hold office until a successor is elected as Director. Directors shall be eligible for re-election to the Board.

Section 2.05 - Meetings

(a) An annual meeting of the Board of Directors for the consideration of reports and for such other business as may be brought before the meeting shall be held at such date as the Board of Directors shall designate.

(b) Regular meetings of the Board of Directors may be held at such periodic intervals between annual meetings and at such time as the Board of Directors may specify.

(c) Special meetings of the Board of Directors may be called by the President, the Vice President, or any two (2) Directors.

Section 2.06 - Place of Meeting and Electronic Meetings

(a) Meetings of the Board of Directors may be held at any place within or without the State of Ohio.

(b) Notwithstanding anything to the contrary, any meeting of the Board of Directors may be held through any electronic communication pursuant to which each Director is able to hear each other Director participating in the meeting or in any other manner permitted under the laws of the State of Ohio and such participation shall constitute attendance at such meeting.

Section 2.07 - Notice of Meeting

(a) Written notice of the time and place of each meeting of the Board of Directors shall be given to each Director either by personal delivery, or by mail, telegram or cable at least two (2) days before each meeting.

(b) Any Director may waive notice of the time and place of any meeting of the Board of Directors, either before or after the holding of the meeting.

Section 2.08 - Quorum and Manner of Action

(a) A majority of the authorized number of Directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, except that a majority of the Directors then in office constitutes a quorum for removing any Director or filling a vacancy in the number of Directors.

(b) In the absence of a quorum at any meeting of the Board of Directors, a majority of those present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given.

(c) The act of a majority of the Directors present at a meeting at which a quorum is present shall authorize any action by the Board of Directors, unless a greater number is required by the Articles of Incorporation or this Code of Regulations.

Section 2.09 - Action by Board of Directors Without Meeting

(a) Any action which may be authorized or taken at a meeting of the Board of Directors may be taken without a meeting with the affirmative vote or approval of a majority of the Directors, and in a writing or writings signed by all of the Directors.

(b) Any such writing shall be filed with or entered upon the records of the Corporation.

Section 2.10 - Resignations

(a) Any Director of the Corporation may resign at any time by giving written notice to the President or the Secretary.

(b) A resignation shall take effect at the time specified therein, and unless otherwise specified therein, shall become effective upon delivery. The acceptance of any resignation shall not be necessary to make it effective unless so specified in the resignation.

Section 2.11 - Removal

(a) Any Director may be removed, with cause, at any time by the affirmative vote of a majority of the Directors then in office. Unless excused for cause, the failure of a Director to attend three (3) or more regularly scheduled meetings of the Board of Directors each year, shall constitute just cause for removal of such Director.

Section 2.12 - Vacancies

The remaining Directors, though less than a majority of the authorized number of Directors, may, by a vote of a majority of their number, temporarily fill any vacancy for the offices of Director for the unexpired term.

Section 2.13 – Compensation

The Directors shall receive no compensation for their services as Members of the Board of Directors of the Corporation.

ARTICLE III

OFFICERS

Section 3.01 - Officers

The officers of this Corporation shall be a President, a Vice President, a Treasurer, and a Secretary and such other officers or assistant officers as may be necessary.

Section 3.02 - Term of Office

(a) The officers of the Corporation shall be appointed from time to time by the

Board of Directors as it shall determine, and new offices may be created and filled at any meeting of the Directors.

(b) Each officer shall hold office until a successor shall have been appointed or the office is eliminated.

Section 3.03 - Resignation

(a) Any officer may resign at any time by giving written notice to the Board of Directors or to the President or the Secretary.

(b) A resignation shall take effect at the time specified therein, and unless otherwise specified herein, shall become effective upon delivery. The acceptance of such resignation shall not be necessary to make it effective unless so specified in the resignation.

Section 3.04 - Removal

(a) Any officer may be removed by the Board of Directors, with cause, at any time by the affirmative vote of the majority of the Board of Directors. Unless excused for cause, the failure of an Officer to attend three (3) or more regularly scheduled meetings of the Board of Directors each year, shall constitute just cause for removal of such Officer.

(b) Any vacancy by reason of this section may be filled by the Board of Directors in such a manner as it determines to be appropriate under the circumstances.

Section 3.05 - Duties of Officers

(a) The President shall preside at all meetings of the Board of Directors; appoint chairpersons of committees not otherwise provided for; and carry out such other duties as usually pertain to the office of President. The President shall be allowed a vote on all corporate matters. The President shall be the chief operating officer of the corporation.

(b) The Vice President shall perform all duties of the President in his absence or during his inability to act, and shall have such other powers and shall perform such other duties as may be assigned to him from time to time by the Board of Directors.

(c) The Secretary shall keep the minutes of all proceedings of the Board of Directors and shall make a proper record of same. The Secretary shall keep such books as may be required by the Board of Directors and the officers and shall generally perform such duties as may be assigned by the Board of Directors.

(d) The Treasurer shall submit a statement of financial conditions at the annual meeting of the Board of Directors and at every regular meeting of the Board of Directors, and such other statements as may be required. The Treasurer shall assure that there are kept in the books of the Corporation, a full and accurate account of all monies received and paid by him for the account of the Corporation. The Treasurer shall assure that all forms required by federal, state or local governments are filed in a timely manner. The Treasurer shall perform such other duties as may, from time to time, be assigned to him by the Board of Directors.

(e) Each of the President, Vice President, Secretary and Treasurer of the Corporation, shall have the authority jointly or severally to sign execute and deliver in the name of the Corporation any deed, mortgage, bond, instrument, agreement or other document evidencing any transaction authorized by the Board of Directors, except where the signing or execution thereof shall have been expressly delegated to another officer or person on the Corporation's behalf.

(f) In the absence of any officer or assistant officer or for any other reason which the Board of Directors may deem sufficient, the Board of Directors may delegate the authorities and duties of any officer, or any assistant officer to any other officer, assistant officer or to any Director.

(g) In addition to the foregoing, each officer or assistant officer shall perform all duties as may from time to time be delegated to each of them by this Code of Regulations or by the Board of Directors or any committee of Directors as provided herein.

ARTICLE IV

INDEMNIFICATION AND INSURANCE

Section 4.01- Indemnification

(a) To the fullest extent not prohibited by applicable law, the Corporation shall indemnify each person who, by reason of being or having been a Director or officer of the Corporation, is named or otherwise becomes or is threatened to be made a party to any action suit, investigation or proceeding (or claim or other matter therein), and the Corporation by the Board of Directors may indemnify any other person as deemed proper by the Board of Directors, against any and all costs and expenses (including attorney fees, judgments, fines, penalties, amounts paid in settlement, and other disbursements) actually and reasonably incurred by or imposed upon such person in connection with any action, suit, investigation or proceeding (or claim or other matter therein), whether civil, criminal, administrative or otherwise in nature, with respect to

which such person is named or otherwise becomes or is threatened to be made a party by reason of being or at any time having been a Director, officer, employee or other agent of or in a similar capacity with the corporation, or by reason of being or at any time having been, at the direction or request of the Corporation, a director, advisor or other agent of or fiduciary for any other corporation, partnership, trust, venture or other entity or enterprise including any employee benefit plan.

(b) Each request or case of or on behalf of any person who is or may be entitled to indemnification for reason other than by being or having been a Director or officer of the Corporation shall be reviewed by the Board of Directors, and indemnification of such person shall be authorized by the Board of Directors only if it is determined by the Board of Directors that indemnification is proper in the specific case, and, notwithstanding anything to the contrary in this Code of Regulations, no person shall be indemnified to the extent, if any, it is determined by the Board of Directors or by written opinion of legal counsel designated by the Board of Directors for such purpose that indemnification is contrary to applicable law.

Section 4.02 - Insurance

The Corporation may, as the Board of Directors may direct, purchase and maintain such insurance on behalf of any person who is or at any time has been a Director, officer, employee or other agent of or in a similar capacity with the corporation, or who is or at any time has been, at the direction or request of the Corporation, a director, officer, administrator, manager, employee, Members, advisor or other agent of or fiduciary for any other corporation, partnership, trust, venture or other entity or enterprise including any employee benefit plan against any liability asserted against and incurred by such person.

ARTICLE V

CONFLICT OF INTEREST

Section 5.01 – Disclosure

Any director, officer or key employee who has an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make prompt and full disclosure of his interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction, which might reasonably be construed to be adverse to the Corporation's interest.

Section 5.02 – Authorization or Denial of Conflict

The body to which any disclosure defined in Section 5.01 is made shall thereupon determine, by a vote of seventy-five percent (75%) of the votes entitled to vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his personal influence on, nor participate (other than to present factual information or respond to questions) in, the discussions or deliberations with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present but may not be counted when the Board of Directors or a committee of the Board takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon, the abstention from voting and participation, and whether a quorum was present.

ARTICLE VI

AMENDMENT

Section 6.01- Amendment

This Code of Regulations may be amended from time to time by the Members, provided that the Board of Directors is given thirty (30) days notice to comment on the proposed amendment.

This Code of Regulation presented to the Incorporators is hereby adopted as the Code of Regulation of the Blanchard River Watershed Partnership for its government, conduct of its affairs, and the management of its property.

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Blanchard River Watershed Partnership Code