

**REGULATIONS  
OF  
THE SOUTHWEST OHIO IMPROVEMENT FUND**

**ARTICLE I  
NAME**

The name of the corporation is The Southwest Ohio Improvement Fund (the “*Corporation*”).

**ARTICLE II  
NO MEMBERS**

The Corporation shall have no members. For purposes of any provision of the Ohio Nonprofit Corporation Law requiring action to be taken by members, including the election of Directors, the Corporation’s Directors shall be considered to be the members of the Corporation, and they shall have all the rights and privileges of members.

**ARTICLE III  
PURPOSES**

**Section 1. Purposes.** The Corporation is formed for the purpose of aiding and assisting the Butler County Finance Authority, a body corporate and politic of the State of Ohio (the “*BCFA*”), in the performance of its functions to directly promote economic development in low-income communities or for the benefit of low-income persons in Butler County, Ohio, consistent with Section 45D of the Internal Revenue Code of 1986 (as amended, the “*Code*”), any applicable temporary or final regulations promulgated under the Code (“*Treasury Regulations*”), any guidance, rule, or procedure (“*Guidance*”) published by the Community Development Financial Institutions Fund of the United States Department of Treasury (the “*CDFI Fund*”). The Corporation is also formed to indirectly impact the economic resiliency of Butler County, Ohio through the promotion of economic development in low-income communities or for the benefit of low-income persons in other, nearby counties in Southwest Ohio, consistent with Section 45D of the Code, the Treasury Regulations and any Guidance. In furtherance of these purposes, the Corporation has all requisite right, power and authority, (a) to make “qualified low-income community investments” in the Corporation’s “service area” of Butler County, Ohio and any additional nearby counties approved by the CDFI Fund, (b) to become certified and operate as a “qualified community development entity” (“*CDE*”) (as defined in Section 45D(c)(1) of the Code), (c) to form and manage subsidiary limited liability companies which are certified as CDEs, which subsidiaries may receive equity contributions which will be utilized primarily to make “qualified low-income community investments” and to engage in other activities consistent with the business of the Corporation, (d) to engage in activities that would further the direct and indirect interests of Butler County, Ohio and, and (e) to engage in all activities and to do any and all other acts and things necessary, customary, convenient or incident to any of the foregoing as

determined from time to time in the judgment and discretion of the Board of Directors of the Corporation.

**Section 2. Requirements.** At least sixty percent (60%) of the Corporation's products and services shall be directed to (a) "low-income persons", (b) individuals, businesses or organizations located in "low-income communities" and/or (c) other organizations that serve "low-income persons" or residents of "low-income communities". The following are nonexclusive examples of such activities that would be included in satisfying the foregoing requirement: (i) investing in, lending to or providing technical assistance to businesses that are located in "low-income communities" and/or are owned by "low-income persons", (ii) lending to "low-income persons" or to residents of "low-income communities", (iii) investing in or providing loans to qualified commercial properties and businesses that are located in "low-income communities", (iv) investing in, lending to or providing technical assistance to organizations engaged in activities that promote community development (e.g., other CDEs or "community development financial institutions") or (v) purchasing from other CDEs any loans made by such CDEs which are "qualified low-income community investments. For the purposes of these Regulations, "low-income persons" and "low-income communities" shall have the meaning ascribed to such terms in Section 45D of the Code, any applicable Treasury Regulations and any applicable Guidance published by the CDFI Fund.

#### **ARTICLE IV** **DIRECTORS**

**Section 1. Authority and Duties.** The Board of Directors shall have general supervision and charge of the property, affairs, and finances of the Corporation.

**Section 2. Number, Term of Office, Election, Qualifications, and Removal of Directors.** The number of Directors shall be fixed from time to time by the Directors but shall be no fewer than three (3) and no more than seven (7).

The initial Board shall consist of those persons elected by the Incorporator of the Corporation and such initial Directors shall hold office until their successors have been duly elected and qualified. Each Director thereafter shall be elected by a two-thirds (2/3) vote of the Directors then serving in office on the Board. Directors shall be elected to serve three-year terms and shall hold office until their respective successors are elected, except in the case of earlier resignation, removal or death; provided, however, the Board of Directors may set terms of different lengths for different Directors in order to establish staggered terms.

The BCFA must provide prior approval, which BCFA may withhold in its sole discretion, before any person who is proposed to be a Director may actually be elected to serve, and serve, as a Director of the Corporation.

Any Director may be removed from office at any time, with or without cause, by a two-thirds (2/3) vote of the Directors then in office. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office

expires. Vacancies on the Board of Directors caused by death, resignation, removal from office, increase of the authorized number of Directors, or any other cause other than the expiration of a term shall be filled for the unexpired portion of the three-year term through the appointment of a replacement to the Board by the two-thirds (2/3) vote of the Directors remaining in office, provided that the BCFA has approved such person as a replacement to the Board.

**Section 3. Annual Meeting.** The annual meeting of the Corporation shall take place at such time and on such date each year at the principal offices of the Corporation or at such other place within or without the State of Ohio as the Board of Directors or the President shall determine. The purposes of the annual meeting shall be to elect the President and other officers of the Corporation, to elect new Directors as necessary, to receive the reports of officers and committees of the Board of Directors, if any, and to transact such other business as may properly come before the meeting.

**Section 4. Regular Meetings.** Regular meetings of the Board of Directors shall be held on such dates and at such times as the Board of Directors or the President shall determine. Regular meetings shall be held at the principal offices of the Corporation or at such other place within or without the State of Ohio as the Board of Directors or the President shall determine. The purposes of regular meetings of the Board of Directors shall be to consider and act upon any matters that are proper subjects for action by the Board of Directors.

**Section 5. Special Meetings.** The BCFA, the President or any two of the Directors then in office may call a special meeting of the Board of Directors, to be held at any time at the principal offices of the Corporation or at such other place within or without the State of Ohio as those calling the meeting shall determine. A special meeting may be held for any purpose that would be a proper purpose of a regular meeting.

**Section 6. Notice of Meetings.** Not less than seven (7) days before the date fixed for an annual or regular meeting of Directors, or two (2) days in the case of a special meeting, written notice stating the date, time, place, and, in the case of a special meeting, the purposes of the meeting shall be given by or at the direction of the BCFA, the President or the Directors calling the meeting. Written notice of the date, time, and place of all annual and regular meetings of the Directors scheduled during a specified period may be provided to the Directors in advance of such period in lieu of separate written notices for each meeting. Notices shall be given to the Directors by any lawful means, at the respective addresses, email address or facsimile numbers as they appear on the records of the Corporation; provided, however, that in the case of facsimile notice of transmission shall be confirmed.

**Section 7. Quorum.** A majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

**Section 8. Voting by Directors.** Except as otherwise provided in the Articles of Incorporation or these Regulations, each Director shall be entitled to one vote on any matter properly submitted to the Directors for their vote, consent, waiver, release, or other action. Except as otherwise required by statute, the Articles of Incorporation, these Regulations or in the

election of Directors, the act of a majority of the Directors present at a meeting at which a quorum is present is the act of the Board of Directors.

**Section 9. Actions Requiring Supermajority Approval.** All of the following actions may only be taken upon the affirmative vote of at least two-thirds (2/3) of the whole Board of Directors taken at a regular or special meeting:

- a) Amendments to the Articles of Incorporation;
- b) Amendments to these Regulations;
- c) Merging the Corporation into another entity;
- d) Dissolving the Corporation; or
- e) Selling all or substantially all of the assets of the Corporation.

Notice of any meeting of the Board of Directors at which one of the above listed actions is to be taken shall specifically include the purpose of the meeting.

**Section 10. Waiver of Notice.** Notice of the time, place, and purposes of any meeting of the Board of Directors may be waived by any Director in writing either before or after the holding of the meeting. The attendance of any Director at any meeting (or participation at a meeting held through the use of authorized communications equipment) without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by that Director of notice of the meeting.

**Section 11. Action Without a Meeting.** Any action that may be authorized or taken at a meeting of the Board of 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 of the Directors, which writing or writings shall be filed with or entered upon the records of the Corporation. An electronic transmission, such as an email, that clearly indicates who authorized the transmission and accurately reflects the intention of such person shall be considered a writing for purposes of this section.

**Section 12. Meetings by Means of Authorized Communications Equipment.** One or more Directors may participate in a meeting of the Board of Directors by means of authorized communications equipment within the meaning of Section 1702.01(Q) of the Ohio Revised Code, including through any means that allow all persons to contemporaneously communicate with each other. Except as otherwise provided in these Regulations, participation of a Director at a meeting by authorized communications equipment in accordance with this Section 12 shall constitute presence in person at such meetings.

**Section 13. No Proxy Voting.** In no event shall any Director be entitled to vote by proxy or in absentee.

**Section 14. Compensation.** Directors, as such, shall not receive any salary or compensation for their service as Directors.

**ARTICLE V**  
**COMMITTEES; COMMUNITY ADVISORY BOARD**

**Section 1. Executive Committee.** The Board of Directors may create an executive committee comprised of no fewer than three (3) Directors. The executive committee shall act for the Board of Directors in the intervals between meetings of the Board of Directors and, except to the extent determined otherwise by the Board of Directors or these Regulations, shall have all authority of the Board of Directors. A representative of the BCFA shall be entitled to attend all meetings of the Executive Committee.

**Section 2. Other Committees.** The Board of Directors may create such other committees as may be necessary from time to time. Such committees shall be chaired by a Director and may appoint as members, individuals who are not Directors, as reasonably necessary to carry out the purposes of the committee in accordance with the Corporation's mission; provided, however, that such committees shall not be permitted to act for the Board of Directors, and the acts of such committees shall not be considered acts of the Board of Directors until approved by resolution. The committees may exercise such powers of the Board of Directors in the management of the Corporation as may be conferred or authorized by the resolutions appointing them. The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, or to discharge any such committee.

**Section 3. Meetings and Actions.** Committees shall act only during the intervals between meetings of the Board of Directors and subject to the direction of the Board of Directors. Acts of any committee within the authority delegated to it shall be effective for all purposes as the act or authorization of the Directors. A majority of the members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee chair or the committee may fix the time and place of a committee's meetings. Committee members may participate at meetings by means of authorized communications equipment, and such participation shall constitute presence at the meeting. Except as otherwise required by statute, the Articles of Incorporation, or these Regulations, the act of a majority of the committee members present at a meeting at which a quorum is present is the act of the committee. Committees may act by a writing or writings signed by all members of such committee. Any committee may adopt guidelines, not inconsistent with the Articles of Incorporation, these Regulations or the committee's charter (if any), for the conduct of meetings and the committee's internal governance.

**Section 4. Community Advisory Board.** The Board of Directors shall ensure that the Corporation maintains accountability to residents of low-income communities consistent with Section 45D of the Code, any applicable Treasury Regulations, and any Guidance published by the CDFI Fund in the manner provided for in the Corporation's application for certification as a CDE, and in that regard:

- a) the Corporation shall establish an "advisory board" (the "***Advisory Board***") as such term is used in Section 45D of the Code, the Regulations and the Guidance (and the Company's application for certification as a community development entity;

- b) the Advisory Board shall initially have not less than three (3) nor more than seven (7) members;
- c) the Advisory Board shall be maintained and it shall be comprised of at least 30% members and representatives of low-income communities throughout the Company's "service area";
- d) the Advisory Board will meet as agreed upon by the Board of Directors but in no event less frequently than may be required to maintain accountability pursuant to Section 45D of the Code, the Treasury Regulations and any Guidance published by the CDFI Fund; and
- e) the members of the Advisory Board will hold themselves available for solicitation of input and advice between meetings and the Corporation's application for certification as a CDE; or

The Board of Directors shall, as it deems necessary or appropriate in its discretion, seek the advice and input of the Advisory Board with respect to, among other things, the overall business strategy, the investment policies and the existing individual investments of the Corporation, as well as on the community impacts of the foregoing; provided, however, that the Advisory Board shall serve solely in an advisory capacity and shall have no authority to take any action by or on behalf of the Company

## **ARTICLE VI** **OFFICERS**

**Section 1. Election and Designation of Officers;** . The Board of Directors, by majority vote of the Board , shall elect a President, a Secretary, and a Treasurer, and may elect such other officers from time to time as the Board of Directors may deem necessary or desirable. In addition, the Board of Directors, by majority vote, shall also elect an Executive Director in accordance with Section 5 of this Article VI to handle the day-to-day operations of the Corporation. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if the instrument is required to be executed, acknowledged, or verified by two or more officers. An officer is not required to be a Director of the Corporation.

**Section 2. Term of Office; Vacancies.** The Corporation's officers shall hold office until the next annual meeting of the Board of Directors and until their respective successors are elected, except in case of earlier resignation, removal from office, or death. Any officer may be removed from office at any regular or special meeting, with or without cause, by the affirmative vote of a majority of the number of Directors then serving on the Board. Any vacancy in any office, other than the Executive Director, may be filled by majority vote of the Board of Directors. If the event of a vacancy in the office of Executive Director, a replacement shall be identified in accordance with Section 5 of this Article VI and elected by majority vote of the Board.

**Section 3. Duties.** The President shall preside at all meetings of the Board of Directors and of the Executive Committee, if any. The Executive Director shall, should the President be absent or unavailable, exercise the authority of the President. Subject to directions from the

Board of Directors, the President shall have general supervision over the affairs of the Corporation. The President or the Executive Director may execute all authorized documents, contracts, and obligations in the name of the Corporation and shall have such other authority and shall perform such other duties as may be determined by the Board of Directors. Officers shall have such authority and perform such duties as are customarily incident to their respective offices, or as may be specified from time to time by the Board of Directors regardless whether such authority and duties are customarily incident to such office.

**Section 4. Delegation of Authority and Duties.** The Board of Directors is authorized to delegate the authority and duties of any officer to any other officer, and generally to require the performance of duties in addition to those mentioned herein.

**Section 5. Staff.** The Executive Director of the Corporation shall be an individual serving as an officer, director or employee of the BCFA. The President of the BCFA, or the designee thereof, shall identify and recommend one or more such persons for consideration to serve as the Executive Director of the Corporation. The Board of Directors shall select from such recommendations a person to elect to serve as the Executive Director of the Corporation. The BCFA shall provide administrative support services for the Corporation, and shall perform duties as prescribed by the Board of Directors and approved by the BCFA. Staff functions may be performed by BCFA staff, as directed by the President of the BCFA, and the Corporation shall pay the costs for such services as from time to time shall be billed to the Corporation by the BCFA pursuant to a written agreement between the parties.

## **ARTICLE VII** **ACTIONS REQUIRING THE AFFIRMATIVE APPROVAL OF THE BCFA**

Each of the following actions may only be taken with the approval of the BCFA, in addition to any other approvals required by these Regulations or otherwise:

- a) The election and/or removal of any officer or person serving in an executive management role of the Corporation;
- b) Amendments to the Articles of Incorporation;
- c) Amendments to these Regulations;
- d) Merging the Corporation into another entity;
- e) Dissolving the Corporation; or
- f) Selling all or substantially all of the assets of the Corporation.

In addition, if, and for long as, the BCFA is identified as a “controlling entity” in the Corporation’s application for certification as a community development entity (as defined in Section 45D(c)(1) of the Code) in connection with the Corporation maintaining its accountability to residents of low-income communities consistent with Section 45D of the Code, any applicable Treasury Regulations, any Guidance, rule, or procedure published by the CDFI Fund, the following actions require the additional affirmative approval of the BCFA: all management policies and investment policies of the Corporation and any written development agreement or investment

agreement or other agreement regarding the transfer, investment allocation or any other use of tax credit authority provided by the CDFI Fund to the Corporation.

**ARTICLE VIII**  
**INDEMNIFICATION**

The Corporation shall indemnify, to the full extent permitted by the Nonprofit Corporation Law of Ohio, 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, by reason of the fact that he is or was a director, officer or volunteer of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, member, manager, employee or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, limited liability company, joint venture, trust or other enterprise. The Corporation may, but shall not be required to, indemnify any other person whom it may indemnify under the provisions of the Nonprofit Corporation Law of Ohio.

**ARTICLE IX**  
**FISCAL YEAR**

The Corporation's fiscal year shall end on the 31<sup>st</sup> day of December of each year or on such other date as may be fixed from time to time by the Board of Directors.

**ARTICLE X**  
**AMENDMENTS**

The Articles of Incorporation and these Regulations of the Corporation may be amended, or new Regulations may be adopted, by the affirmative vote of the Board of Directors and the approval of the BCFA.

Adopted by the Sole Incorporator as of May 7, 2025.

Ratified by the Board effective as of May 7, 2025.