

**LANCASTER PORT AUTHORITY**

**RULES AND REGULATIONS**

**Adopted January 20, 2007**

**Revised December 23, 2021**

**Adopted January 11, 2022**

**RULES AND REGULATIONS  
OF THE  
LANCASTER PORT AUTHORITY**

**ARTICLE I**

**NAME AND OFFICE**

***Section 1. Name***

The name of the port authority created pursuant to Ordinance No 86-05 passed by the Council of the City of Lancaster, Ohio on December 12, 2005, shall be the “Lancaster Port Authority”.

***Section 2. Principal Office***

The principal office of the Port Authority shall be City Hall, 104 East Main Street, Lancaster, Ohio, 43130.

***Section 3. Other Offices***

The Port Authority may establish other offices, at such other places, within or without the County, as the Board of Directors may determine is required by or is in the furtherance of the purposes of the Port Authority and the efficiency of its operation.

**ARTICLE II**

**BOARD OF DIRECTORS**

***Section 1. Appointment and Number***

The Mayor of the City of Lancaster shall appoint all Board members with the consent of Lancaster City Council. The Board of Directors shall consist of five (5) directors. Pursuant to Ohio Revised Code § 4582.27, the Board of Directors, by a majority vote, may change the number of directors as is necessary for the operation of the Lancaster Port Authority.

***Section 2. Eligibility***

A majority of the Board of Directors shall have been qualified electors of or shall have had their business or places of employment in the jurisdiction of the Lancaster Port Authority for a period of at least three (3) years immediately preceding their appointment.

***Section 3. Terms***

The terms of the members of the Board of Directors shall commence on the date provided in his/her appointment and shall terminate on December 31 of the year in which that member’s term ends pursuant to Ohio Revised Code § 4582.27. The Board of Directors shall serve a term

of four (4) years and are eligible for reappointment. Any director appointed to fill a vacancy shall be appointed to the remaining unexpired term and is eligible for reappointment.

***Section 4. Removal***

Any member of the Board of Directors who fails to attend three (3) consecutive regular meetings of the Board of Directors, without an approved absence, may be removed by the affirmative vote of the majority of the Board of Directors.

***Section 5. Civil Immunity***

The Board of Directors have immunity from civil liability as set forth in Ohio Revised Code §4582.271.

***Section 6. Compensation and Reimbursement***

The Board of Directors shall serve without compensation but shall receive reimbursement for reasonable expenses in the performance of official duties as determined by a majority vote of the Board of Directors.

**ARTICLE III**

**OFFICERS**

***Section 1. Officers***

The officers of the Port Authority shall be a Chairperson and a Vice-Chairperson. A Secretary and Treasurer/Fiscal Officer shall be appointed, pursuant to Sections 7 and 8 herein, and need not be a Director.

***Section 2. Terms of Office***

Officers shall be elected at the first meeting of the Board of Directors to be held on or after December 1 of each year, and officers shall serve for a 12-month term commencing January 1 of the immediately following year and until their successors are elected and qualified. Any officer may resign by giving written notice to the Secretary, or in the event of resignation of the Secretary, by giving written notice to the Chairperson. Resignation shall be effective as of the date stated in such resignation or, if not therein stated, upon the appointment of a successor. Notice of resignation shall be transmitted by the officer receiving the same to all members of the Board of Directors.

***Section 3. Removal***

All officers shall serve at the pleasure of the Board of Directors, and shall be subject to removal at any time by the affirmative vote of a majority of the members of the Board of Directors.

#### ***Section 4. Vacancies***

Vacancies in all offices shall be filled by the Board of Directors and may be filled by the vote of a majority of those present at any regular or special meeting at which a quorum is present.

#### ***Section 5. Chairperson***

The Chairperson shall be the chief executive officer of the Port Authority. Subject to the provisions of the laws of Ohio, to these Rules and Regulations, and to the control and direction of the Board of Directors, the Chairperson shall perform the duties assigned to him/her hereby and as may be provided from time to time by the Board of Directors. The Chairperson shall preside at all meetings of the Board of Directors; shall exercise supervision over the business of the Port Authority and over its officers and employees. The Chairperson shall have authority to sign contracts, releases, bonds, notes and other instruments and documents to be executed on behalf of the Port Authority requiring the Chairperson's signature, without derogation of the authority specifically granted by the rules or by the Board of Directors to other persons. The Chairperson shall be the chief officer of the Port Authority for the purpose of service of civil process and is authorized to accept such service on behalf of the Port Authority.

#### ***Section 6. Vice-Chairperson***

The Vice-Chairperson shall perform the duties and have the authority of the Chairperson during the absence or disability of the Chairperson, and shall preside at the meetings of the Board of Directors when and while the Chairperson shall vacate the chair. The Vice-Chairperson shall perform such other duties and have such other authority as may be assigned to him/her from time to time by the Board of Directors or the Chairperson. At the request of the Chairperson, or in his/her absence or disability, the Vice-Chairperson shall perform all the duties of the Chairperson, and when so acting shall have all the powers of the Chairperson. The authority of the Vice-Chairperson to sign in the name of the Port Authority all contracts, releases, bonds, notes and other instruments and documents to be executed on behalf of the Port Authority shall be coextensive with the authority of the Chairperson. At any meeting at which both the Chairperson and the Vice-Chairperson are absent, the Board of Directors, may, by a majority vote of those present, elect a member of the Board of Directors to serve as presiding officer for that meeting.

#### ***Section 7. Secretary***

a. The Secretary need not be a member of the Board of Directors, but may be the Chairperson, the Vice Chairperson, any member of the Board of Directors, any administrative official of the Port Authority, or the Mayor of the City of Lancaster as determined by a majority vote of the Board of Directors.

b. The Secretary may receive compensation as determined by a majority vote of the Board of Directors. If the City of Lancaster Mayor volunteers to serve as Secretary, then he/she will serve without compensation.

c. The Secretary shall attend all meetings of the Board of Directors and shall keep accurate records of the proceedings at such meetings, which shall be attested by him/her. The Secretary shall have such authority and perform such duties as are provided by law and such as may, at any time and from time to time, be delegated to the Secretary by the Board of Directors. The Secretary shall have custody of and maintain all minutes, resolutions, records, documents and files of the Port Authority and shall certify any minutes, resolutions, records or documents of the Port Authority as true and exact copies thereof.

d. The Secretary shall have such other authority and perform such other duties as are conferred by law upon or incident to the office of Secretary of an authority, board, commission or business organization and shall perform such other duties and have such other authority as maybe prescribed by the laws of Ohio or may be assigned to him/her from time to time by the Board of Directors. The Secretary shall be deemed to have discharged his/her responsibilities under these Rules and Regulations if he/she shall have caused the same to be discharged by an assistant or employee properly authorized or assigned to the Secretary by the Board of Directors, except as to any duties which under the law can be discharged only by the Secretary of a port authority, pursuant to the applicable provisions of the Revised Code of Ohio.

#### ***Section 8. Treasurer/Fiscal Officer***

a. The Treasurer/Fiscal Officer need not be a member of the Board of Directors, but may be the Chairperson, the Vice Chairperson, any member of the Board of Directors, any administrative official of the Port Authority, or the Treasurer of the City of Lancaster as determined by a majority vote of the Board of Directors.

b. The Treasurer/Fiscal Officer may receive compensation as determined by a majority vote of the Board of Directors. If the City of Lancaster Treasurer volunteers to serve as Treasurer/Fiscal Officer, then he/she will serve without compensation.

c. The Treasurer/Fiscal Officer shall keep accurate books accounting for all transactions on behalf of the Port Authority and provide assistance in the yearly audit of the Lancaster Port Authority.

d. The Treasurer/Fiscal Officer shall have the care and custody of the funds of the Port Authority and may on behalf of the Port Authority endorse for deposit or collection, and may deposit, all drafts, checks, notes and other instruments and orders for the payment of money to the Port Authority or its order, and may sign receipts therefore. The Treasurer/Fiscal Officer shall also be empowered on behalf of the Port Authority to endorse checks on which the Port Authority is designated as a joint payee for its own protection under leases, contracts, insurance settlements and other documents; and to deliver such checks to the other payees or such other persons as are properly entitled to receive the same; and to report each transaction of this nature to the Board of Directors.

e. The Treasurer/Fiscal Officer shall have authority to sign, on behalf of the Port Authority, all vouchers for payments to be made by the Port Authority and checks, drafts, notes and other obligations of the Port Authority for the payment of money by the Port Authority in the manner and to the extent provided in these Rules and Regulations:

f. The Treasurer/Fiscal Officer shall, from time to time, with the approval of a majority vote of the Board of Directors, allocate and reallocate the funds of the Port Authority, as provided or permitted by law.

g. The Treasurer/Fiscal Officer shall assist in the preparation of the annual budget and appropriations; shall maintain operation and expenditures within the budget and appropriations; and shall establish budget procedures and maintain supervision over budget control.

h. The Treasurer/Fiscal Officer shall furnish bond in such amount as may be determined by a majority vote of the Board of Directors pursuant to Ohio Revised Code §4582.41. Any such bond will be posted by the Lancaster Port Authority.

i. The Treasurer/Fiscal Officer shall have such other authority and perform such other duties as are conferred by law upon or incident to the office of the Treasurer/Fiscal Officer of an authority, board, commission or business organization and shall perform such other duties and have such other authority as maybe prescribed by the laws of Ohio or may be assigned to him/her from time to time by the Board of Directors. The Treasurer/Fiscal Officer shall be deemed to have discharged his/her responsibilities under these Rules and Regulations if he/she shall have caused the same to be discharged by an assistant or employee properly authorized or assigned to the Treasurer/Fiscal Officer by the Board of Directors, except as to any duties which under the law can be discharged only by the Treasurer/Fiscal Officer of a port authority, pursuant to the applicable provisions of the Revised Code of Ohio.

***Section 9. Executive Director/Economic Development Director***

a. The Executive Director/Economic Development Director need not be a member of the Board of Directors, but may be the Chairperson, the Vice Chairperson, any member of the Board of Directors, or any administrative official of the Port Authority as determined by a majority vote of the Board of Directors.

b. The Executive Director/Economic Development Director shall be responsible for the day-to-day operation of the Lancaster Port Authority. Compensation and benefits for this position shall be determined by a majority vote of the Board of Directors.

c. The duties and responsibilities of the Executive Director/Economic Development Director are as set forth in the position description approved by the Board of Directors subject to change and/or modification by a majority vote of the Board of Directors.

***Section 10. Assistant and Subordinate Officers; Employees***

The Board of Directors may appoint such assistant and subordinate officers or employees, and hire such professional consultants or advisors as it may deem desirable or necessary, who shall hold office or employment, or be employed as independent contractors, during the pleasure of the Board of Directors and perform such duties as the Board of Directors may prescribe. The Board of Directors may authorize any officer to appoint and remove subordinate officers or employees, to

prescribe their authority and duties, and to fix their compensation within amounts appropriated by the Board of Directors.

## **ARTICLE IV**

### **MEETINGS**

#### ***Section 1. Quorum***

A majority of the members of the Board of Directors of the Lancaster Port Authority shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting. Except as specifically provided otherwise in these Rules and Regulations, the affirmative vote of a majority of the Directors present at any meeting shall be necessary to pass any resolution, motion or to conduct any other business which may come before the meeting. No vacancy in the membership of the Board of Directors shall impair the rights of a quorum to exercise all the rights and perform all of the duties of the Lancaster Port Authority.

#### ***Section 2. Place of Meetings***

All meetings of the Board of Directors shall be held at the offices of the Lancaster Port Authority, 104 East Main Street, Lancaster, Ohio, 43130, or at such other places as may be designated by the Chairperson at a preceding meeting, or designated in the notice of the meeting as hereinafter provided.

#### ***Section 3. Regular Meetings***

It is the intention of the Board of Directors that regular meetings shall be held monthly on such dates and at such times and places as shall be scheduled on an annual basis as determined by a majority vote of the Board of Directors. The regular meeting schedule for the year shall be established no later than December each year for the following year.

#### ***Section 4. Special Meetings***

Special meetings may be called at any time by the Chairperson, the Vice Chairperson or any two members, upon at least twenty-four (24) hours-notice given to each member of the Board of Directors.

#### ***Section 5. Emergency Meetings***

Emergency meetings may be called only in the event immediate official action is required and the twenty-four (24) hour Special Meeting notice requirement cannot be complied with due to the time-sensitive/emergency nature of the issue. An emergency meeting can be requested by the Chairperson, the Vice Chairperson or any two members upon immediate notice given to each member of the Board of Directors.

#### ***Section 6. Meeting by Interactive Video Conference or Teleconference***

a. The Board of Directors may conduct an Interactive Video Conference or Teleconference meeting pursuant to the requirements set forth in Ohio Revised Code § 4582.60(A) by conducting the meeting at its published and posted time and place open to the public; the provision of meeting-related materials to each board member prior to the meeting; and the provision of clear video and audio connections that enable all meeting participants at the primary meeting location to see and hear each board member.

b. Pursuant to Ohio Revised Code § 4582.60(B), the following rules are adopted to provide for Interactive Video Conference or Teleconference meetings:

1. Board members may remotely attend a board meeting by interactive video conference or teleconference, or a combination thereof, in lieu of attending the meeting in person as the need arises, but board members are encouraged to physically attend meetings if possible.
2. At least one (1) board member must be physically present at the primary meeting location.
3. Board members remotely attending a board meeting cannot be physically together in the same remote location as any other board member.
4. There are no geographic restrictions for board member participation by remote attendance.
5. Meeting materials will be provided to all board members prior to the meeting. Meeting materials will be available to the media and the public at the primary meeting location.
6. Board members attending the meeting remotely by teleconference only will state their name for the record to verify their identity and this verification will be placed into the meeting minutes.

### ***Section 7. Notice of Meetings***

Pursuant to Ohio Revised Code § 121.22(F), the following reasonable method is established to provide public notice to any person of the date, time and place of any and all regular, special or emergency meetings of the Lancaster Port Authority.

#### **a. Regular Meetings**

##### **1. Publication and Posting**

The Secretary shall cause to be published and posted, once a year, on the official website of the Lancaster Port Authority and on the public bulletin board in City Hall, the dates, time(s) and place(s) of the regular meetings of the Board of Directors and of any of its committees for the calendar year. If at any time during the calendar year the date, time or place of the regular meetings, committee meetings, or of any particular regular or committee meeting is changed, on a permanent or temporary basis, a statement of the new date, time and place of such changed regular or committee meetings shall be so posted by the Secretary at least twenty-four (24) hours before the time of the first changed regular or committee meeting on the



official website of the Lancaster Port Authority and on the public bulletin board in City Hall.

b. Special Meetings

1. Publication and Posting

The Secretary shall give oral or written notification to the news media organizations that have requested such advance notification, of the date, time, place and purpose of each special meeting, at least twenty-four (24) hours prior to the time of such special meeting and shall post on the official website of the Lancaster Port Authority and on the public bulletin board in City Hall no later than twenty-four (24) hours before the time of the special meeting of the Board of Directors or of any of its committees, a statement of the date, time, place and purpose of such special meeting.

c. Emergency Meetings

1. Publication and Posting

The Secretary shall give immediate oral or written notification to the news media organizations that have requested such advance notification, of the date, time, place and purpose of each emergency meeting and shall immediately post on the official website of the Lancaster Port Authority and on the public bulletin board in City Hall the date, time, place and purpose of the emergency meeting of the Board of Directors or of any of its committees.

d. Request for Notice

1. Any person may obtain notice of the date, time and place of all regularly scheduled meetings and the date, time, place and purpose of all special and emergency meetings of the Board of Directors and of any of its committees.

2. Any governmental agency may, upon written request and designation of an appropriate official and email address, receive notification of Lancaster Port Authority meetings.

3. Any news media organization that requests notification of regular, special and/or emergency meetings of the Board of Directors and of any of its committees shall file with the Secretary a written request therefore and provide a good email address.

4. Any request described above shall be effective during the calendar year of filing or until the Secretary receives written notification from the requester canceling or modifying such request, whichever is earlier.

5. Anyone desiring notification as set forth herein shall provide a valid email address. Failure to provide a valid email address cancels the request.

### ***Section 8. Motions or Resolutions***

Action of the Board of Directors shall be by resolution or motion. Resolutions shall be in written form. On the passage of every resolution or motion the vote shall be entered in the minutes of the meeting.

### ***Section 9. Minutes***

The minutes of each meeting shall be recorded in separate books which shall be designated as the “Minutes of the Port Authority”, bearing appropriate volume numbers, to be kept by the Secretary for that purpose. With respect to each meeting, there shall be shown the date and place at which the meeting was held, the names of the members present, a summary of things said and done, and a record of each vote taken. Resolutions adopted may be set forth in full in the minutes or identified by appropriate reference. A separate book designated as the “Resolutions Book” shall be kept, which shall set forth the full text of each resolution adopted by the Board of Directors, together with identification by appropriate numbering system, and a record of the date and of the vote upon its adoption. As provided by law, the Minutes of the Port Authority and the Resolutions Book shall be open to public inspection during normal business hours.

### ***Section 10. Public Meetings***

All meetings of the Board of Directors shall be open to the public; provided however, that the Board of Directors may hold an executive session at any regular or special meeting for the purposes prescribed in Ohio Revised Code § 121.22.

### ***Section 11. Rules of Procedure***

Unless otherwise provided by the Board of Directors, meetings of the Board of Directors shall be conducted in accordance with Robert’s Rules of Order.

### ***Section 12. Conduct of Meetings***

Meetings of the Board of Directors shall be conducted in accordance with the following procedures:

a. Vote. On the passage or defeat of every resolution or motion, the vote including any abstentions shall be entered upon the appropriate Minutes of the Port Authority. Any member of the Board of Directors shall be permitted to change his/her vote until roll call has been verified and result declared.

b. Absent Member. Any member who is absent from a meeting may be permitted to have his/her vote recorded upon any resolution or motion acted upon during his/her absence by proxy; provided that such vote shall not be counted.

c. Division of Question. If any question contains two or more divisible propositions, the presiding officer may, and upon request of a member shall, divide the same.

d. Order of Business. The business of regular meetings of the Board of Directors shall generally be transacted in the following order:

1. Call to Order
2. Approval of Minutes
3. Financial Report
4. Action Items
5. Discussion Items
6. Old Business
7. New Business
8. Adjournment

e. Motions. Motions shall be presented, seconded, and acted upon, in accordance with recognized parliamentary procedures. Upon request of any member, any motion shall be reduced to writing. Any motion may be withdrawn by the maker with the consent of the second, before it has been amended or voted upon. All motions which have been entertained by the presiding member shall be entered upon the minutes of the meeting.

f. Reconsideration. After decision or vote of any resolution or question, any member who voted with the majority may move for reconsideration of that resolution or question at the same or the next succeeding meeting. Reconsideration must be brought in the manner and time stated or else it is forfeited. A resolution or question may be reconsidered one time.

g. Absence of Secretary. In the event the Secretary and any assistant secretary are not present at any meeting, the presiding member may designate any person, who need not be a member of the Board of Directors, as Acting Secretary to record the minutes of the meeting and attest any resolutions adopted at such meeting. The Acting Secretary may also certify as to the authenticity of any resolution adopted at such meeting or to the correctness of a copy or extract of the minutes of such meeting.

## **ARTICLE V**

### **POWERS AND DUTIES**

#### ***Section 1. Authority***

Subject to the creation of the Lancaster Port Authority by Council of the City of Lancaster, pursuant to Permanent Ordinance 86-05, there are no restrictions on the powers and duties of the Lancaster Port Authority. The Lancaster Port Authority has all powers and duties of a port authority as are set forth in Ohio Revised Code §§ 4582.21 through 4582.71 and as herein provided.

#### ***Section 2. Delegation of Duties***

There is reserved in the Board of Directors the authority, at all times, to delegate, transfer, assign and reassign duties, to the extent permitted by law.

***Section 3. Execution of Instruments***

a. Deeds, Leases Contracts and other Agreements. Deeds, leases, contracts, agreements and all other documents excepting those referred to in (b) below, shall be signed by the person or officer specified in any pertinent statute as the person or officer required to execute such instrument. If no such statutory requirement exists, such instruments shall be signed by the Chairperson, Vice Chairperson, Secretary, or Executive Director. The Board of Directors may at any time designate one or more of its members to execute any such instrument for and on behalf of the Port Authority. Facsimile signatures are hereby authorized and permitted to be used to the extent permitted by law.

b. Checks, Drafts, etc. Checks, drafts, purchase orders, notes, bonds and other instruments requiring the payment of any sums of money shall be executed by the Treasurer/Fiscal Officer.

***Section 4. Departments***

The Board of Directors may establish, for the convenience of operation of the Port Authority, such departments and staff positions as it may deem necessary, all of which departments and staff positions shall, subject to appropriation therefore by the Board of Directors, be under the supervision and direction of the Chairperson and/or Executive Director and shall be staffed as he/she may determine, with the majority vote of the Board of Directors.

**ARTICLE VI**

**OFFICIAL SEAL**

***Section 1. Seal***

Adoption of a Lancaster Port Authority official seal shall be determined and voted upon by a majority vote of the Board of Directors.

**ARTICLE VII**

**COMMITTEES**

***Section 1. Committees***

The Board of Directors may, from time to time, create committees, the members and chairs of which shall be appointed by the Chairperson, unless otherwise provided by the Board of Directors. The Chairperson, in his/her discretion, may appoint citizens with special expertise to serve as ex officio members of one or more committees. Committees can be created or eliminated by the Board at any time and from time to time.

***Section 2. Committee Meetings.***

Committees shall meet when requested to do so by the Chairperson or his/her designee or the chair or vice chair, if any, of the committee. In the absence of a chair or vice chair, a quorum of any committee being present, a temporary chair may be selected by the members present.

### ***Section 3. Authority of Committees***

a. Except as expressly provided in this Section, committees shall not have decision-making authority. The role of committees is to review and comment upon proposals which the Executive Director and officers may submit to the Board of Directors for its deliberation, debate and action, or regarding matters upon which the Board has delegated to the Executive Director full power to act under or pursuant to these Rules and Regulations.

b. In exceptional circumstances, the Board of Directors may delegate to a committee the authority to make a decision on a particular matter. Such delegation can only occur if the Board has defined a specific matter upon which it desires to delegate such authority and if a majority of the members of the Board of Directors has, at a regular or special meeting of the Board, voted to so delegate decision-making authority on that particular matter to a specific committee. Any actions purported to be taken or decisions purported to be made by any committee in the absence of such express authorization by the Board shall be null and void.

## **ARTICLE VIII**

### **APPROPRIATIONS AND CONTRACTS**

#### ***Section 1. Appropriations***

No money shall be appropriated except by resolution. Except as otherwise specifically limited, the adoption of a resolution appropriating money shall be deemed to include the authorization to make expenditures, enter into contracts, and to perform such other acts as are necessary and incidental thereto.

#### ***Section 2. Contracts***

a. Except as hereinafter provided, no contract involving an expenditure or commitment by the Port Authority of any amount of money shall be made unless the same shall have been authorized by resolution and a majority affirmative vote of the Board of Directors. The Executive Director or his/her designee is authorized to select providers of goods, equipment, material and services and submit resolutions to the Board of Directors to contract for the purchase thereof provided that monies therefore are on-hand and remain unencumbered for such purposes in the Lancaster Port Authority budget for the then current fiscal year, and that competitive proposals or bids are sought when and as required by Ohio law. The Executive Director shall observe the standards of selection as set forth in the Ohio Revised Code for port authorities and as determined by the Board and will notify the Board of the selection of goods, equipment, material and services and the basis for their selection at regularly scheduled Board meetings. Except as otherwise permitted by law, contracts for the creation, construction, alteration or repair of Port Authority facilities, buildings, structures or other improvements undertaken by the Lancaster Port Authority and involving an expenditure exceeding

\$50,000.00, and leases or sales of land or property, shall be made and entered into only in the manner prescribed by Ohio Revised Code §§ 4582.21 through 4582.71 and as herein provided.

b. Pursuant to a majority vote of the Board of Directors, an annual budget resolution shall be submitted and approved for the yearly day-to-day operation of the Lancaster Port Authority. The annual budget will provide for line-item expenditures necessary to facilitate all operations of the Lancaster Port Authority by the members, officers and employees.

## **ARTICLE IX**

### **CONSTRUCTION AND AMENDMENT**

#### ***Section 1. Construction and Separability***

Each Rule and Regulation herein set forth shall be construed, if possible, in a manner consistent with the laws of Ohio, if and to the extent that any Rule or Regulation shall be deemed in conflict with any such law, such Rule or Regulation shall be void, but each Rule and Regulation shall be deemed separable from every other Rule and Regulation and its invalidity shall not affect any other Rule or Regulation.

#### ***Section 2. Amendment***

These Rules and Regulations may, at any time, be amended or supplemented by a majority vote of the Board of Directors. Any formal action taken by the Board of Directors that may be inconsistent with these Rules and Regulations shall be deemed permitted hereby so long as such action is otherwise consistent with applicable law.