

BY-LAWS
OF
AMERICAN ASSOCIATION OF COSMETOLOGY SCHOOLS, INC.

as Amended and Restated as of _____, 2017

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BY-LAWS
OF
AMERICAN ASSOCIATION OF COSMETOLOGY SCHOOLS, INC.
as Amended and Restated as of _____, 2017

ARTICLE I
Name, Office and Tax-Exempt Status

Section 1. Name. The name of this corporation formed under the laws of the State of New Jersey is American Association of Cosmetology Schools, Inc. It is hereinafter referred to in these By-Laws as the “Corporation” and/or “Association.”

Section 2. Offices. The registered office of the Corporation shall be in the State of New Jersey. The Corporation may have such other offices either within or without the State of New Jersey as the Board of Directors may determine, or as the affairs of the Corporation may require from time-to-time.

Section 3. Purpose. The purpose of the Corporation is to engage in activities in furtherance and support of the industry of cosmetology, beauty and wellness education.

Section 4. Tax-Exempt Status. The Corporation is New Jersey nonprofit corporation governed by the New Jersey Nonprofit Corporation Act, N.J.S.A. § 15A:1-1 *et. seq.*, as amended from time-to-time (the “Act”). The Corporation is an organization exempt from federal income tax by reason of being described in Section 501(c)(6) of the Internal Revenue Code.

ARTICLE II
Members

Section 1. Members.

(a) Classes. There shall be two classes of members of the Corporation (each a “Member” and collectively, the “Members”):

(1) School Member. Any privately-owned or publicly traded entity or proprietorship that (i) operates a facility offering career education, including, but not limited to, resident courses of study, in cosmetology, beauty, wellness and/or other related fields, or (ii) is working toward the operation of a facility offering career education, including, but not limited to, resident courses of study, in cosmetology, beauty, wellness and/or other related fields, is eligible to be a School Member.

(2) Partner Member. Any [individual, proprietorship or entity] who is a stakeholder in the cosmetology, beauty and wellness industry, or other related fields and/or career education in any of the foregoing, is eligible to be a Partner Member.

An eligible person may apply for membership in the Corporation by completing and submitting the form of application provided by the Corporation.

(b) Conditions and Requirements for Membership.

(1) *Compliance with By-Laws and Financial Obligations.* In order to be a Member in good standing, Members of the Corporation shall conform to the provisions set forth in these By-Laws and/the policies of the Corporation, and fulfill all financial obligations to the Corporation.

(2) *Effect of Change in Control.* Should a Member undergo a “change in control,” notice shall be made by the new owner to the Executive Director of the Corporation. The Corporation shall have the right to ask for a new application from such Member. “Change in control” shall mean the sale of all or substantially all the assets of a Member; any merger, consolidation or acquisition of a Member with, by or into another corporation, entity or person; or any direct or indirect change in the ownership of more than fifty percent (50%) of the voting interests of a Member in one or more related transactions.

(3) *Institutions Under Common Control.* Any member of a group of two or more educational institutions which are under common control and which have a similar scope of practice or mission shall not be eligible for, nor retain membership in, the Corporation unless all of such commonly controlled educational institutions are School Members. A Partner Member which is under common control with another company or entity may be eligible for or retain membership in the Corporation notwithstanding the fact that the other commonly controlled entities do not become Partner Members. For the purposes of these By-Laws, “commonly controlled” means that two or more entities are directly or indirectly under common control by the same individuals or entities. For purposes of this definition, “control,” shall mean the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise.

(4) *Termination of Membership.* If at any time, a Member no longer qualifies for its existing membership under these By-Laws, such membership may be terminated upon recommendation of the Executive Director with the approval of the Board of Directors.

(c) *Resignation.* Any Member may withdraw from the Corporation after fulfilling all of its financial obligations to the Corporation by giving written notice to the Executive Director no less than thirty (30) days prior to the effective date of the withdrawal.

(d) *Suspension and Expulsion.* Any Member may be suspended or expelled for cause. Cause is defined as: a violation of any Bylaw, rule or policy adopted by the Corporation or any other conduct prejudicial to the interests of the Corporation. Such suspension or expulsion must be approved by a two-thirds (2/3) vote of the Board of Directors, provided that a statement of the allegations are delivered to the Member at least forty-five (45) days before final action is taken. This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors during which the allegations shall be considered. The Member shall have an opportunity to appear in person or by his/her representative and present any

defense to such allegations before action is taken. A Member may present his/her defense in writing or via conference call if he or she so desires. Appeal of expulsion or suspension is due in writing to the Executive Director within ten (10) days of the original notice of such action. All costs associated with a Member's appearance or defense shall be at the Member's expense. A Member who has been expelled may reapply for membership after one (1) year or upon substantiated proof of corrective action, whichever comes first. Said application must be approved by a two-thirds (2/3) vote of the Board of Directors.

(e) **Member Use of Corporation Logo and Marks.** The official logo and marks of the Corporation may be used by a Member as long as (i) such Member is in good standing and fulfills all requirements of membership and (ii) such Member has signed, and is in compliance with, the Corporation's standard nonexclusive license agreement for the use of the official logo and marks of the Corporation, as updated from time-to-time. If a Member's membership is terminated for any reason, such Member shall immediately cease and desist any and all use of the official logo and marks of the Corporation.

Section 2. **Dues and Assessments.** Annual dues for each Member shall be payable at such times and in such amounts established by the Board of Directors.

(a) **School Members.** In the event that a Member school is under common control with one (1) or more other schools, full membership dues shall be paid for the first school, reduced membership dues (as determined by the Board of Directors) shall be paid for schools two (2) through ten (10) and an administrative fee (as determined by the Board of Directors) shall be paid for each additional school thereafter.

(b) **Partner Members.** In the event a Partner Member is under common control with one (1) or more other Partner Members, full membership dues shall be paid for the first three (3) memberships, reduced membership dues (as determined by the Board of Directors) shall be paid for memberships four (4) through six (6), and an administrative fee (as determined by the Board of Directors) shall be paid for each additional Partner Member thereafter.

(c) **Assessments.** No assessments other than dues may be made except by a two-thirds (2/3) vote of all Members of the Corporation in attendance at a duly held regular or special meeting.

Section 3. **Member Meetings and Voting.**

(a) **Annual Meeting.** There shall be an Annual Member Meeting of the Members of the Corporation to be held at such time and place as the Board of Directors shall determine. Written notice of the time and place of such meeting shall be sent to the last recorded physical or electronic address of each Member at least ten (10) and not more than sixty (60) days prior to the scheduled meeting date. During the Annual Member Meeting, the Board of Directors shall present a report to the membership on the state of the Corporation, conduct elections of the Board of Directors, and transact such other business as determined by the Board.

(b) **Special Meetings.** Special meetings of the Corporation membership may be called by the Executive Director upon (i) the written request of a majority of the Board of Directors, or (ii) the written request of Members holding more than 50% of the votes of all

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Members. Notice of the time and place of such meeting shall be mailed or sent electronically to the last recorded physical or electronic address of each Member at least ten (10) and not more than sixty (60) days before the time appointed for the meeting.

(c) Voting. Voting, other than for the purpose of revising By-Laws of the Corporation or as otherwise specified herein, is by membership class. Voting by membership class shall be made in the same venue and at the same time and must be cast by an owner or designated representative.

(1) School Member representatives of the Board of Directors shall be elected by School Members of the Corporation. Each School Member in good standing shall have one (1) vote per school owned, up to a maximum of ten (10) votes. Member schools owned in common with one (1) or more other Member Schools shall cast their votes by a single person who is an owner or their designated representative.

(2) Partner Member representatives of the Board of Directors shall be elected by Partner Members of the Corporation. Each Partner Member in good standing shall have one (1) vote per business owned and identified as a Member, up to a maximum of three (3) votes. In the event that a Partner Member's business is owned in common with one (1) or more other businesses, votes shall be cast by a person who is an owner or designated representative of the business.

(d) Required Vote. Votes of the membership shall be determined by a simple majority on all actions except in cases of changes to the By-Laws. A two-thirds (2/3) majority vote of a quorum of the School Membership present at the Annual or Special Member Meeting shall be required to adopt changes to the By-Laws.

(e) Tally. The Governance Committee Chair will select no more than six (6) individuals to tally the votes cast in elections convened by the Corporation. In the case of a tie vote the Leadership Selection Committee Chair will hold an additional election between the individuals who tied

(f) Quorum. For the purpose of establishing a quorum at a meeting of the membership and transaction of business, (i) at least 10% of the School Members or their proxies present at the meeting shall be required for any matter submitted to the vote of the School Members, (ii) at least 10% of the total Partner Members or their proxies present at the meeting shall be required for any matter submitted to the vote of the Partner Members, and (iii) at least 10% of each of the School Members and Partner Members shall be required for any matter submitted to the entire membership. In case there are fewer than this number, the presiding Officer may adjourn or suspend the meeting from time to time until a quorum is established.

(g) Proxies. Only Members who are absent from a meeting may vote by proxy. A written proxy by a School Member must designate another School Member to represent the School Member. The proxy is to be submitted to the person certifying credentials prior to receiving voting credentials and prior to the vote. A written proxy by a Partner Member must designate another Partner Member to represent the Partner Member. The proxy is to be

submitted to the person certifying credentials prior to receiving voting credentials and prior to the vote.

Section 4. Member Action Without a Meeting.

(a) Except as otherwise provided in the certificate of incorporation or By-Laws, any action required or permitted to be taken at a meeting of Members may be taken without a meeting if all the Members entitled to vote thereon consent thereto in writing, except that in the case of any merger, consolidation and sale of assets, the action may be taken without a meeting only (i) if all Members consent thereto in writing; or (ii) if (x) all Members entitled to vote thereon consent thereto in writing, (y) the corporation provides to all other Members advance notification setting forth the proposed action consented to, and (z) the proposed action is not consummated before the expiration of 10 days after the giving of the notice and the notice sets forth the existence of the 10 day period.

(b) Except as otherwise provided in the certificate of incorporation or By-Laws and subject to the provisions of this subsection, any action required or permitted to be taken at a meeting of Members, other than the annual election of Directors, may be taken without a meeting upon the written consent of Members who would have been entitled to cast the minimum number of votes which would be necessary to authorize the action at a meeting at which all Members entitled to vote thereon were present and voting, if (i) the Corporation provides to all other Members advance notification setting forth the proposed action consented to, (ii) the proposed action is not consummated before the expiration of 10 days from the giving of the notice (and 20 days from the giving of the notice in the case of any merger, consolidation and sale of assets), and (iii) the notice sets forth the existence of such 10/20 day period.

Section 5. Property Rights. No Member shall have any right or interest in any of the property or assets of the Corporation.

Section 6. No Liability. No Member shall be personally liable for the debts, liabilities, or obligations of the Corporation.

Section 7. No Transferability. No Member may transfer for value or otherwise a membership or any right arising therefrom; and all rights of membership shall cease upon the member's death.

ARTICLE III
Board of Directors

Section 1. General Powers. The property, affairs, and business of the Corporation shall be managed and controlled by its Board of Directors. The Board of Directors may by general resolution delegate to Officers of the Corporation and to committees such powers as provided for in these By-Laws.

Section 2. Number. The number of Directors of the Corporation shall be not less than three (3) and not more than thirteen (13) until changed by a duly adopted amendment to this Bylaw section. The exact number of Directors shall be fixed from time to time, within the

limits of this section, by a resolution of the Board of Directors. The number of Directors is hereby initially fixed at thirteen (13).

Section 3. Eligibility. The Directors shall consist of persons interested in promoting the purposes of the Corporation. All candidates for the Board of Directors must be involved in a position of management with respect to Member and devote more than fifty percent (50%) of his/her full time business efforts with respect to a Member in good standing (“Affiliated” status). No more than one (1) Director may be affiliated with any particular Member. Directors elected by School Members shall be referred to as “School Directors” and Directors elected by Partner Members shall be referred to as “Partner Directors.” At least ten (10) Directors shall be School Directors and at least three (3) Directors shall be Partner Directors.

Section 4. Election The Directors shall be elected annually by the Members at the annual meeting of the Members. The Members shall select by majority vote the persons to serve on the Board of Directors. Upon election, a Director shall serve for a three (3) year term. The terms of the Directors shall be arranged so that approximately one-third (1/3) of the Directors’ terms expire each year. Once an individual has served for three (3) consecutive three (3) year terms as a Director, such individual shall not be eligible for election again as a Director for a period of eighteen (18) months following the expiration of such individual’s last term as Director. An exception may be made for a Director whom has been duly elected by the membership and elected by the Board of Directors to serve as Vice Chair or Chair. In such case, this Board member may serve up to four (4) Director Terms.

Upon adoption of these By-Laws, sitting board members whom have any part of his/her term remaining, shall be allowed to complete his/her current term without violating the term limits described herein. Special Provision - In the case of the 2017 election, it shall be know that Board members whom may be re-elected to the Board by the membership, shall be able to serve the term for which he/she is re-elected without violating the term limits described herein. This special provision shall be rescinded effective with the 2018 Board of Director election.

Section 5. Meetings.

There shall be a minimum of three (3) regular in person meetings one (1) of which shall be an Annual Board Meeting, of the Board of Directors annually. Regular Meetings of the Board of Directors shall be open to the membership unless the Board of Directors has called for Executive Session which may include other invited guests as deemed appropriate by the President in order to facilitate business.

(a) The Directors shall hold an annual meeting for the purpose of organizing the Board, selecting committees, the election of Officers and the transaction of such business as may come before the meeting. Pending such organizational meeting, each Officer of the Corporation shall continue to hold that Officer position

(b) A regular meeting of the Directors may be recessed and held over multiple days but shall be considered a single meeting.

(c) In addition to the regular meetings described herein, the Board of Directors shall convene 12 monthly telephonic meetings in order to facilitate Association business.

(d) The Board of Directors may provide by resolution the time and place, whether within or without the State of New Jersey for the holding of the regular meetings of the Board.

(e) Special meetings of the Board of Directors may be called by or at the request of the Chair/President who may fix any place, whether within or without the State of New Jersey, as the place for holding any special meeting.

Notice of regular meetings of the Board of Directors shall be posted on the Association website at least fifteen (15) days prior to the scheduled meeting date.

Section 6. Meeting Attendance

Any member of the Board of Directors who is unable to attend a regular or telephonic board meeting shall notify the Executive Director of his/her inability to attend. If a Director is absent from two (2) regular meetings or Three (3) telephonic meetings during the same calendar year, his/her seat on the Board of Directors may be declared vacant by a majority vote of the Directors. Vacancies so created shall be filled in accordance with Article III, Section 14. The Chair, with the consent of the majority of the Board of Directors, may make an exception to this section

Section 7. Notice; Quorum.

(a) Notice of any special meetings of the Board of Directors shall be given at least seven (7) days previous thereto by written notice sent to the last recorded physical or electronic address of each Director. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

(b) The presence in person of a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present in person at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Proxy voting is unavailable for board actions.

Section 8. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws. Directors may attend a meeting by telephonic or similar equipment by means of which all persons participating in the meeting can hear each other. If the Board of Directors holds a meeting by telephonic or similar equipment, the presence of a quorum shall be established through a roll call.

Section 9. Compensation. Directors shall not receive a salary for their services, but by resolution of the Board of Directors, a fixed sum and/or expenses may be allowed for attendance at each regular or special meeting of the Board; however, nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefore.

Section 10. Written Action. Any action required by law to be taken at a meeting of Directors, or any action that may be taken at a meeting of Directors, may be taken without a meeting if all of the Directors sign a written consent, setting forth the action to be taken.

Section 11. Removal. A two-thirds (2/3) vote of the Directors shall be required to remove a Director from office prior to the expiration of the term for which that Director has been elected.

Section 12. Vacancies. Vacancies among the Directors, whether caused by resignation, death or removal, prior to expiration of a term, may be filled by a majority vote of the remaining Directors from a slate of candidates presented by the Governance Committee Chair. The term for such newly elected Director shall end on the date on which the term of the replaced Director is set to expire.

ARTICLE IV Officers

Section 1. Officers. The Officers of the Corporation shall be a Chair/President, Vice-Chair or Immediate Past Chair, Secretary/Treasurer, and Strategy Committee Chair. Officers shall perform such services and assume such duties as from time to time may be imposed or required by the Board of Directors, or as may be prescribed by the By-Laws.

Section 2. Election. The Officers of the Corporation may be elected annually as needed by the Board of Directors. Each Officer shall hold office until his/her successor shall have been duly elected and shall have qualified. Upon such election, an Officer shall serve for a two (2) year term. The terms of the Officers may be arranged so that not all Officer terms expire in the same year.

Section 3. Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

Section 4. Vacancy. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by a majority vote the Board of Directors for the unexpired portion of the vacated term.

Section 5. Election and Succession of Vice-Chair; Chair/President and Immediate Past Chair. as follows: (i) during his/her first year as an Officer, he/she shall be the Vice-Chair; during his/her second and third years as an Officer, he/she shall be the Chair/President, and (iii) during his/her fourth year as an Officer, he/she shall be the Immediate Past Chair.

A Vice-Chair shall only be elected every two (2) years for the same year in which the Chair/President is starting his/her second year as Chair/President. An Immediate Past Chair shall only serve in that role in the second year of the Chair's term.

Section 6. Chair/President. The principal duties of the Chair/President shall be to preside at all meetings of the Board of Directors, and, subject to the input of the Board of Directors, to have general oversight of the affairs of Corporation. The Chair/President may charge any committee or task force with other duties as necessary as well as create ad hoc committees where deemed appropriate.

Section 7. Vice-Chair. The principal duties of the Vice Chair shall be to discharge the duties of the Chair/President in the event of the absence or disability of the latter for any cause whatsoever. In the event of the Chair/President's death, resignation or inability to serve, the Vice Chair shall become Chair/President for the balance of the unexpired term and the following full term of office. In the year when there is no Immediate Past Chair, the Vice Chair shall chair the Governance Committee.

Section 8. Immediate Past Chair. The principal duties of the Immediate Past Chair shall be to Chair the Governance Committee. During alternate years when there is no Immediate Past Chair, the Vice-Chair will serve as Governance Committee Chair.

Section 9. Secretary/Treasurer. The principal duties of the Secretary/Treasurer shall be to (i) countersign all certificates and conveyance executed by Corporation and affix the seal of the Corporation thereto as well as such other papers as shall be required or directed to be sealed, (ii) to keep a record of the proceedings of the Board of Directors, (iii) to give all notices in accordance with these By-Laws or as required by law, and (iv) to keep safely and systematically all books, papers, records and documents belonging to Corporation or in any way pertaining to the business thereof. The Secretary/Treasurer shall also (i) have oversight for all processes and procedures for accounting for all monies, credits and property of Corporation, and (ii) ensure proper budgeting and management of the finances of the organization and generally all matters pertaining to this office as shall be required by the Board of Directors. The Secretary/Treasurer shall chair the Finance and Audit Committee. The Secretary/Treasurer shall serve for a two (2) year term.

Section 10. Strategy Committee Chair. The principal duties of the Strategy Committee Chair shall be to chair the Strategy Committee.

Section 11. Paid Employees. The Board of Directors may appoint one or more paid employees including an Executive Director. The Executive Director is responsible for carrying out policy as set by the Board of Directors. The Executive Director is responsible for conducting the day to day affairs of the Corporation and is responsible for the supervision and employment of all paid Corporation personnel.

ARTICLE V
Committees

Section 1. Authority.

(a) The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees of its members, each of which shall consist of two (2) or more Directors. Such committees, to the extent provided in said resolution, may exercise the authority of the Board of Directors in the management of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors in reference to (i) amending, altering or repealing the By-Laws; (ii) electing, appointing or removing any member of any such committee or any Director or Officer of the Corporation; amending the Articles of Incorporation; (iii) adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; (iv) authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or (v) amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon it or him/her by law.

(b) Other ad hoc committees and/or task forces, not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by the Chair/President. Membership on such ad hoc or task committees need not be limited to Directors.

Section 2. Executive Committee.

(a) There shall be an Executive Committee of the Board, whose members shall consist of the Chair/President, the Immediate Past Chair, if any, the Secretary/Treasurer, the Vice-Chair, if any, and the Strategy Committee Chair. The Executive Director of the Corporation shall be an ex-officio member of the Executive Committee.

(b) The Executive Committee is authorized to make an interim decision on any matter which would properly come before the Board, but only where such interim decision is revocable, and provided that such interim decision is considered by the full Board as soon as possible and in any event no later than the next regularly scheduled Board meeting. However, the Executive Committee is authorized to consider and to screen various proposals, ideas and developments concerning the future activities of Corporation; and the Executive Committee may authorize any expenditure previously approved in the budget without the need to seek ratification from the full Board. Notwithstanding the foregoing, the Executive Committee may not make any decision which is required by these By-Laws or the Act as described in Article I, Section 4, to be submitted to the Board of Directors or the Members.

(c) Official meeting summaries with action items of each official meeting of the Executive Committee shall be kept and filed with the corporate records. Copies of such

summaries of Executive Committee meetings shall be distributed to the full Board with the Board Meeting Minutes or shall be distributed to the full Board within thirty (30) days of any such meetings, whichever occurs first.

(d) The Executive Committee shall review policies of Corporation and the performance of its Executive Director in accomplishing the goals and objectives set by the Board of Directors on matters pertaining to the overall human resources philosophy governing the Corporation employees.

(e) The Executive Committee may be charged with other duties as necessary by the Chair/President, subject to the limitations set forth above.

Section 3. Governance Committee. The Governance Committee shall be chaired by the Immediate Past-Chair. If the Immediate Past-Chair is unable to serve or during alternate years when there is no Immediate Past Chair, the Vice-Chair shall serve as Chair. The other Committee members shall be nominated by the Governance Committee Chair and approved by the Executive Committee and will include the Chair/President, Vice-Chair in alternate years, and two other Board members appointed by the Governance Committee Chair. The Executive Director of Corporation shall be an ex-officio member of the Governance Committee. The Committee shall nominate a slate of individuals to serve as Officers and Directors to be elected at the annual meetings of the Members and Board and diligently fulfill its other duties as assigned by the Board of Directors or the Executive Committee.

Section 4. Finance/Audit Committee. The Finance/Audit Committee shall be chaired by the Secretary/Treasurer and shall also consist of additional Board members recommended by the Secretary/Treasurer on the basis of their individual knowledge and skills as well as for their own professional Board development, and approved by the Executive Committee. This Committee shall oversee the budgeting and financial performance of the Corporation, including any audits authorized and conducted on its behalf, and shall otherwise provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities relating to financial policy and reporting practices. The Finance/Audit Committee may be charged with other duties commensurate with its role in managing the budgeting and financial performance of the Corporation at the discretion of the Executive Committee.

Section 5. Strategy Committee. The Strategy Committee shall be chaired by the Strategy Committee Chair and shall also consist of additional Board members recommended by the Strategy Committee Chair on the basis of their individual knowledge and skills as well as for their own professional Board development, and approved by the Executive Committee. This Committee shall monitor, maintain, and recommend changes to Corporation's strategy. The committee shall review the Institute's operational performance quarterly and assess current performance against long-term strategic goals. It shall recommend changes to the strategy when external conditions warrant. It shall develop and maintain criteria for assessing proposals for new products and perform those assessments upon instructions from the Board of Directors. The Strategy Committee may be charged with other duties commensurate with its role in monitoring, maintaining, and recommending changes to Corporation's strategy at the discretion of the Executive Committee.

Section 6. Experts. At the discretion of the Chair/President, experts may be asked to advise any Board Committee or Task Force when such expertise is needed and appropriate.

Section 7. Term. Each member of a committee shall continue as such until the next annual meeting of the Directors of the Corporation and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 8. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments as described in Article III. Section 5., Subsection a.

Section 9. Manner of Acting. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own governance not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

ARTICLE VI

Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any Officer or Officers, agent, or agents of the Corporation in addition to the Officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2. Checks. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent, or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the Chair/President or Vice-Chair of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Funds. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VII
Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

ARTICLE VIII
Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December.

ARTICLE IX
Indemnification

To the extent permitted under the Act as described in Article I, Section 4, any present or former Director or Officer of the Corporation, or other such persons so designated in the discretion of the Board of Directors, or the legal representative of such person, shall be indemnified by the Corporation against all reasonable costs, expenses, and counsel fees paid or incurred in connection with any action, suit, or proceeding to which any such person or his/her legal representative may be made a party by reason of his/her being or having been such a Director or Officer, or serving or having served the Corporation, except in relation to matters as to which he shall be found guilty of gross negligence or willful misconduct in respect to the matters in which indemnity is sought and in relation to matters settled or otherwise terminated without a final determination on the merits where such settlement or termination is predicated on the existence of such negligence or misconduct.

ARTICLE X
Amendments to By-Laws

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted by a two-thirds (2/3) majority vote of the School Members at an annual or special meeting.

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Certificate of Secretary

These By-Laws were adopted by the school members pursuant a vote at the Annual Member Meeting held on _____, 20__.

Secretary
DM1\7949131.4