

effect of which under applicable federal laws then in force will cause the Council to lose its status as an organization to which contributions are deductible in computing the net income of the contributor for purposes of federal income taxation under Section 170(c)(2) of the Code.

Section 2.7 The Council shall maintain at its principal office a copy of its application for exemption and all tax returns filed with the Internal Revenue Service. To the extent required by law, such documents shall be made available during regular business hours for inspection by any person requesting to see them.

ARTICLE III Board of Directors

Section 3.1 Authority—Subject to any limitations set forth elsewhere in these Bylaws or the Articles of Incorporation of the Council, the affairs of the Council shall be under the general direction of a Board of Directors which shall administer, manage, preserve, and protect the property of the Council.

Section 3.2 Number and Term—The Board of Directors shall consist of a minimum of eleven (11) voting Directors and a maximum of nineteen (19) voting Directors (the actual number to be determined from time to time by a resolution of the Board of Directors). The Directors shall be divided into two categories (which categories need not reflect a pro-rata composition of the two [2] categories of Board members described in Section 3.3 (b) herein). To aid the Board, there shall also be such ex-officio designees as may be designated and/or invited from time to time by the Board of Directors (ex-officio designees shall be nonvoting). The initial Directors and their terms shall be as listed on *Exhibit 1* attached hereto. Other than the initial Directors, each Director shall serve for a term of three years or until such Director's successor has been duly elected and qualified or until the Director's earlier death, resignation or removal. No Director shall be eligible to serve more than three consecutive elected terms. A person may become eligible to serve on the Board of Directors again after a period of two (2) consecutive years has elapsed. Membership on the Board of Directors is held by elected individuals, not institutions, associations or corporations. Board membership is non-transferable, but a non-voting ex-officio designee may attend at the request of an absent Director, subject to approval of the majority of the seated quorum.

Section 3.3 Elections—

- (a) The Board initially shall be composed of persons elected by a transition committee for the ACCGC. Thereafter, all new Directors shall be elected by the Board of Directors.
- (b) Membership of the Board of Directors will be composed of two (2) categories of Directors to include a maximum of eight (8) individuals who are employed in the graphic communications industry and a maximum of eleven (11) individuals employed as college or university graphic communications faculty who each possess a minimum of three (3) years of full-time teaching experience in higher education. Up to three (3) community, technical, or junior college-level graphic communications educators representing associate degree programs may be members of the education category.

- (c) Under no circumstance may there be a Director elected to the Council who is employed by the same educational institution, organization, or company as another Director who will serve on the Council at the same time.
- (d) It shall be the responsibility of the Nominating Committee to seek nominees to fill vacancies to maintain as nearly as possible the eleven educator/eight industry leader structure of the Board. In addition, a representative mix of educators from large, medium, and small graphic communications programs shall be preserved, as well as a representative mix of industry leaders from a variety of printing processes and various graphic communications trade and professional organizations, associations, or foundations.
- (e) The Nominating Committee Chair shall inform the Executive Committee and/or the Board of Directors, as the case may be, of the names of persons who are nominated for election or appointment to the Board of Directors as herein required. Any Director may submit to the Nomination Committee, in writing and no later than 90 days before the Annual Meeting, the names of one or more eligible persons as nominees for Directors of the Council and such names shall be included in the ballot on which all current Directors shall (may) vote. Ballots shall be prepared by the Managing Director and mailed, e-mailed, or sent by facsimile to the Directors entitled to vote no later than 45 days prior to the Annual Meeting. Directors shall return their ballots on which their votes have been cast no later than 30 days prior to the annual meeting. The ACCGC President, who may delegate task to the Managing Director, shall notify all nominees of the election results no later than 20 days prior to the Annual Meeting.
- (f) Unless otherwise specified at the time of the election, new Directors shall begin their terms immediately after the Annual Meeting of the ACCGC or at a special meeting called for such purpose.

Section 3.4 Vacancies—Board vacancies occurring by death, resignation, inability to serve, increase in the number of Directors or otherwise shall be filled by appointment by the Executive Committee to serve for the unexpired portion of the term of the Director being replaced, provided, however, that any successor Director shall be a member of the same category of the Board vacancy being filled. Directors appointed to fill an unexpired term shall retain eligibility for nomination to serve two (2) additional consecutive terms as Director.

Section 3.5 Compensation—No compensation shall be paid to any Director for services as a Director, but, at the discretion of the Board, a Director may be reimbursed for travel and actual expenses necessarily incurred in attending meetings and performing other duties on behalf of the Council.

Section 3.6 Meetings—The Board shall meet annually at a date and time established by the Board. The meeting following the close of the Council's fiscal year or such other time as the Board may designate from time to time by resolution shall be the Annual Meeting of the Board. Special meetings shall be called by the Secretary upon the order of the Council President or Vice President or at the written request of a number of Directors constituting a quorum of the Directors then in office and entitled to vote. All meetings of the Board of Directors shall be held at the registered office of the Council unless otherwise designated in the notice. A Board member

who misses two (2) consecutive meetings may be removed by the majority vote of the Board of Directors.

Section 3.7 Quorum—At all meetings of the Board of Directors, the presence of a majority of the Directors in office and entitled to vote shall constitute a quorum. In addition to those Directors who are actually present at a meeting, Directors shall be deemed as present at such meeting if a telephone or similar communication equipment is used by means of which all persons participating in the meeting can hear each other at the same time. The act of a majority of the Directors entitled to vote at a meeting at which a quorum is present shall be the act of the Board. A majority of the Directors present and entitled to vote, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the Directors who are not present at the time of adjournment.

Section 3.8 Voting—Each Director entitled to vote shall be entitled to one vote on each matter submitted to a vote of the Board of Directors.

Section 3.9 Notices—Written notice of the date, time and place of each meeting of the Board of Directors shall be given to all Directors at least thirty (30) days in advance of the date of the Annual Meeting and at least ten (10) days in advance of the date of special meetings. Such notice shall set forth the date, time, and place of the meeting. For special meetings, the notice shall also state the nature of the business to be transacted. Such notice shall be given at the direction of the Secretary or another designated officer of the Council and shall be given to each Director, either personally or by sending a copy thereof by first class or express mail, postage prepaid; by telegram (with messenger service specified); electronic mail (e-mail); telex or TWX or courier service, charges prepaid; or by facsimile to each Director's address (or e-mail, telex, TWX or facsimile number) appearing on the records of the Council. If the notice is sent by mail, courier service or telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a courier service or telegraph office or in the case of telex or TWX when deposited, or in the case of facsimile or e-mail when transmitted. Notice of an adjourned meeting shall be deemed to have been announced at the time of adjournment.

Section 3.10 Waiver of Notice—Whenever any written notice whatsoever is required to be given under the provisions of applicable law, the Articles of Incorporation of this Council or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, shall be deemed equivalent to the giving of such notice. In the case of a special meeting, such waiver of notice shall specify the nature of the business to be transacted. Attendance of a Director at a meeting shall constitute a waiver of notice of the meeting unless the Director attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.11 Interested Directors or Officers—

- (a) No contract or transaction between the Council and one or more of its Directors or officers or between the Council and any other corporation, partnership, association, or other organization in which one or more of the Council's Directors or officers are Directors, of-

ficers or employees, or have a financial interest, shall be void or voidable solely for such reason, or solely because a Director or officer of the Council is present at or participates in the meeting of the Board of Directors who authorizes the contract or transaction, or solely because the votes of such Director or officer are counted for such purpose, if:

- (1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors even if the disinterested Directors are less than a quorum.
 - (2) The contract or transaction is fair as to the Council as of the time it is authorized, approved or ratified by the Board of Directors.
- (b) Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board that authorizes a contract or transaction specified in subsection (a) of this section. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the effect on the quorum.

Section 3.12 Standard of Care and Fiduciary Duty—Each Director shall stand in a fiduciary relation to this Council and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of this Council, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, each Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

- (a) One or more officers or employees of this Council whom the Director reasonably believes to be reliable and competent in the matters presented.
- (b) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such persons.
- (c) A committee of the Board of this Council upon which the Director does not serve, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

Section 3.13 Factors That May Be Considered by Directors—In discharging the duties of their respective positions, the Board of Directors, committees of the Board and individual Directors may, in considering the best interests of this Council, consider to the extent they deem appropriate:

- (a) The effects of any action upon any or all groups affected by such action, including institu-

tions, employees, suppliers, customers, and creditors of the Council, and upon communities in which offices or other establishments of the Council are located.

- (b) The short-term and long-term interests of the Council, including the benefits that may accrue to the Council from its long-term plans and the possibility that these interests may be best served by the continued independence of the Council.
- (c) The resources, intent and conduct (past, stated, and potential) of any person seeking to acquire control of the Council.
- (d) All other pertinent factors.

The Board of Directors, Committees, and Directors are not required, in considering the best interest of the Council or the effects of any action, to regard any corporate interest or the interests of any particular group affected by such action as a dominant or controlling interest or factor. The consideration of interests and factors in the manner described in this section shall not constitute a violation of Section 3.12 hereof. The fiduciary duty of Directors shall not be deemed to require them to act as the Board of Directors, a committee or an individual Director solely because of the effect such action might have or an acquisition or potential or proposed acquisition of control of the Council or the consideration that might be offered or paid to Directors in such an acquisition.

Absent breach of fiduciary duty, lack of good faith or self-dealing, any act as the Board of Directors, a committee of the Board or an individual Director shall be presumed to be in the best interests of the Council. In assessing whether the standard set forth in Section 3.12 hereof has been satisfied, there shall not be any greater obligation to justify, or higher burden of proof with respect to, any act as the Board, committee or an individual Director relating to or affecting an acquisition or potential or proposed acquisition of control of the Council than is applied to any other act as a Board, committee, or individual Director. Notwithstanding the preceding provisions of this Section 3.13, any act by the Board, committee or an individual Director relating to or affecting an acquisition or potential or proposed acquisition of control to which a majority of the disinterested Directors have assented shall be presumed to satisfy the standard set forth in Section 3.12, unless it is proven by clear and convincing evidence that the disinterested Directors did not assent to such act in good faith after reasonable investigation.

The term disinterested Director means, solely for the purpose of this section, a Director of the Council other than:

- (a) A Director who has a direct or indirect financial or other interest in the person acquiring or seeking to acquire control of the Council or who is an affiliate or associate of, or was nominated or designated as a Director by, a person acquiring or seeking to acquire control of the Council.
- (b) Depending upon the specific facts surrounding the Director and the act under consideration, an officer or employee or former officer or employee of the Council.

A person shall not be deemed to be other than a disinterested Director solely by reason of any or all of the following:

- (a) The receipt by the Director of director's fees or other consideration as a Director.
- (b) Any interest the Director may have in retaining the status or position of a Director.
- (c) The former business, education, or employment relationship of the Director with the Council.
- (d) Receipt or the right to receive retirement or deferred compensation from the Council due to service as a Director, officer, or employee.

Section 3.14 Rules and Regulations—The Board of Directors may adopt rules and regulations not inconsistent with these Bylaws for the administration and conduct of the affairs of the Council and may alter, amend or repeal any such rules or regulations adopted by it. Such rules and regulations may be amended by majority vote of the Directors present and entitled to vote at a meeting of the Directors where a quorum is present.

Section 3.15 Removal of Directors—The Board of Directors, by a majority vote of all of the Directors, may declare vacant the office of a Director who is declared of unsound mind by an order of the court or is convicted of a felony or other cause. "Other cause" shall mean any action or inaction which, in the sole discretion of the Board, materially and adversely affects or may affect the Council, including, but not limited to, absence from two (2) consecutive Board meetings.

Section 3.16 Consents—Any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the Directors in office and entitled to vote and shall be filed with the Secretary of the Council.

ARTICLE IV

Officers

Section 4.1 Enumeration—The officers of the Council shall consist of a President, Vice President, Secretary, Treasurer, and Managing Director, and such other officers and assistant officers as the Board may, from time to time, designate.

Section 4.2 Term of Office—Individual board members will serve as officers of ACCGC at the pleasure of the elected Board of Directors according to the following guidelines:

- (a) The office of President is a two (2) year term. This person will be elected from the education category and is elected in odd years.
- (b) The office of Vice President is a two (2) year term. This person will be elected from the industry category and is elected in even years.