ACCREDITATION ALLIANCE OF CAREER SCHOOLS AND COLLEGES

ARTICLES OF INCORPORATION AND BYLAWS
ARTICLES OF INCORPORATION

ACCREDITATION ALLIANCE OF CAREER SCHOOLS AND COLLEGES (AACSC)

THE UNDERSIGNED, for the purpose of forming a nonstock corporation pursuant to the Virginia Nonstock Corporation Act, certifies:

FIRST: The name of the corporation is Accreditation Alliance of Career Schools and Colleges.

SECOND: The corporation shall have one class of voting members. The members of the corporation shall consist of institutions of higher education which provide career training and education and which have been accredited by the board of directors of the corporation. These articles of corporation shall be amended only upon at least a two-thirds (2/3) vote of the board of directors to propose an amendment to the members of the corporation and an affirmative vote by mail ballot of at least two-thirds (2/3) of the votes cast by the members of the corporation. The Corporation may sell, lease, exchange or otherwise dispose of all or substantially all of its assets, merge into another corporation, or permit another corporation to merge into the corporation only upon at least a two-thirds (2/3) vote of the board of directors to recommend such transaction or merger to the members of the corporation and an affirmative vote of at least two-thirds (2/3) of all of the votes cast by the members of the corporation. The qualifications and rights of the members, including the voting rights of the members, shall otherwise be as set forth in the bylaws of the corporation.

THIRD: The board of directors of the corporation shall be elected and hold office as set forth in the bylaws of the corporation. Directors who are representatives of the public shall be elected by the board of directors. Except as otherwise provided by law or in the bylaws of the corporation, the business of the corporation shall be managed by and all of the powers of the corporation shall be exercised by the board of directors.

FOURTH: The address of the initial registered office of the corporation is 200 West Grace Street, Richmond, Virginia 23220. The name of the initial registered agent of the corporation at that address is Calvin F. Major, a resident of Virginia and a member of the Virginia State Bar.¹

FIFTH: The names and addresses of the individuals who are to serve as the initial directors until the first annual meeting or until their successors are elected and qualify are:

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Name and Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert E. Taylor</td>
<td>George L. Pry</td>
</tr>
<tr>
<td>HCR 88061, 35 McMillen Road, Silver City, NM 88061</td>
<td>4825 Mooreridge Dr., Pittsburgh, PA 15227</td>
</tr>
<tr>
<td>Gerald A. Murphy</td>
<td>Timothy T. Schutz</td>
</tr>
<tr>
<td>39 W070 Cranston Road, St. Charles, IL 60715</td>
<td>68 Fife Court, San Ramon, CA 94583</td>
</tr>
<tr>
<td>Richard J. Armbruster</td>
<td>William M. Slonaker</td>
</tr>
<tr>
<td>522 Little John Hill, Sherwood Forest MD 21405</td>
<td>609 Lamont Drive, Kettering, Ohio 45429</td>
</tr>
<tr>
<td>Frances M. Carter</td>
<td>Darrell L. Ward</td>
</tr>
<tr>
<td>77 South Rolling Road, Springfield, PA 19064</td>
<td>4840 Orchard Heights Rd., N.W., Salem, OR 97304</td>
</tr>
<tr>
<td>Charles S. Collins</td>
<td></td>
</tr>
<tr>
<td>5104 N. 32nd Street #240, Phoenix, AZ 85018</td>
<td></td>
</tr>
</tbody>
</table>

¹ The Commission’s registered agent as of July 1, 2003 is Commonwealth Legal Services Corporation 4701 Cox Road Suite 301, Glen Allen, Virginia 23060
SIXTH: The corporation is organized and shall be operated exclusively for educational purposes. These purposes are as follows:

- To be a reliable authority as to the quality of education and training offered by institutions of career education;
- To establish and foster high educational standards and ethical practices among such institutions;
- To promulgate standards for the accreditation and evaluation of such institutions;
- To receive applications for accreditation from such institutions;
- To adopt and apply processes and procedures for the evaluation and accreditation of such institutions;
- To issue a list of accredited institutions and disseminate information on the corporation’s accrediting standards, procedures and activities; and
- To sponsor and conduct other activities related to accreditation which further and enhance the purposes of the Corporation.

In furtherance of the aforesaid purposes, the corporation may appoint and employ such persons as may be necessary; accept charitable contributions and grants; acquire, hold and dispose of property, both real and personal; exercise such incidental powers as are reasonable and necessary; and have and exercise all of the powers conferred upon nonstock corporations organized pursuant to Title 13.1 of the Code of Virginia as now in effect or as may hereafter be amended.

SEVENTH: No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to, its members, directors, officers, or other private persons, except that the corporation shall be authorized to pay reasonable compensation as set forth in the bylaws of the corporation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Sixth hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

EIGHTH: Upon the dissolution of the corporation, assets shall be distributed for one or more exempt educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

NINTH: To the fullest extent permitted by the Virginia Nonstock Corporation Act, as now in effect or as may hereafter be amended, no officer or director of the corporation shall be personally liable for any damages in any proceeding brought by or in the right of the corporation or brought by or on behalf of the members of the corporation, or in connection with any claim, action, suit or proceeding to which he or she may be or is made a party by reason of being or having been an officer or director of the corporation.
BYLAWS

ACCREDITATION ALLIANCE OF CAREER SCHOOLS AND COLLEGES (AACSC)

ARTICLE I – BOARD OF DIRECTORS, ACCREDITING COMMISSION OF CAREER SCHOOLS AND COLLEGES

Section 1.01 – Definitions

a. Accrediting Commission of Career Schools and Colleges (ACCSC). The Board of Directors of the Corporation, also hereinafter referred to as the "Accrediting Commission" or the "Commission."

b. Affiliated.
   i. An ownership interest in one or more members of the Corporation;
   ii. Governing board-level responsibilities for one or more members of the Corporation;
   iii. Employment by (to include contractual responsibilities or obligations) with one or more members of the Corporation; or
   iv. Employment (to include contractual responsibilities or obligations) with any ownership entity of one or more members of the Corporation.

Ownership of or employment by (to include contractual responsibilities or obligations) one member of the Corporation means also affiliation with any other member of the Corporation under the same ownership or ownership structure where any of the same parties are involved.

c. Public Commissioners. Persons with an interest and expertise in employment, education, and training who (i) have been engaged as employers, in government, postsecondary education, public, adult or vocational education and in similar or allied fields; (ii) are not employees, members of the governing board, owners, shareholders, or consultants of an institution that is accredited by the Commission, has applied for accreditation by the Commission, or is affiliated with a School Commissioner or any institution or entity which is also affiliated with a School Commissioner; and (iii) have been appointed to serve on the Commission pursuant to Section 1.05 hereof.

d. School Commissioners. Proprietors, owners, or bona fide executives of members of the Corporation as described in Section 2.01 hereof who are active in school operations and have been elected or appointed to serve on the Commission pursuant to Section 1.04 hereof. The Commission shall not have among its membership more than one (1) School Commissioner affiliated with a single member of the Corporation or multiple members of the Corporation under common ownership and control.

e. Members of the Corporation (also referred to as “member”). Postsecondary higher education institutions that provide career training and education and which meet the Commission’s eligibility requirements and have been accredited by the Commission.

f. The Standards of Accreditation. The document that establishes the Commission’s rules of process and procedure and substantive standards with which institutions seeking accreditation and accredited institutions must comply.
Section 1.02 – Powers and Duties

Except as otherwise provided by law or in these Bylaws, the Accrediting Commission shall have the exclusive right and responsibility to manage and direct the affairs and exercise the powers of the Corporation. Without limiting the foregoing or the rights, responsibilities or powers set forth in the Articles of Incorporation or elsewhere in these Bylaws, the Accrediting Commission shall have the right to promulgate, after notice to and comment from the members of the Corporation, standards of accreditation. The Commission shall also have the right to adopt and apply processes and procedures for accreditation, receive applications for accreditation, monitor compliance with the standards of accreditation of members of the Corporation, issue a list of accredited institutions, disseminate information on the Commission’s standards of accreditation, procedures and activities, and exercise other powers and duties incidental to the foregoing.

Section 1.03 – Composition

The Commission shall be composed of an odd number of not less than nine (9) members and not more than fifteen (15) members. The number of Public Commissioners shall be at least four but less than a majority of the total number of Commissioners. The remainder of the Commission shall be composed of School Commissioners. The number of Commissioners may be changed within the foregoing limits by a vote of at least two-thirds of the Commission. The number and composition of the Commission may otherwise be changed only by amendment of the Bylaws pursuant to Section 4.04 hereof.

Section 1.04 – Election and Appointment of School Commissioners

a. Election. School Commissioners shall be chosen by vote of the members of the Corporation from among the nominees designated by the Nominating Committee established by the Commission pursuant to Section 1.09.b hereof. For School Commissioner positions subject to election, the candidates receiving the greatest number of votes shall be elected.

b. Appointment. For the term commencing July 1, 2012 and biennially thereafter, the Commission shall appoint one School Commissioner to a four year term, from among the nominees for such position designated by the Nominating Committee pursuant to Section 1.09.b hereof. The Commission will afford the members of the Corporation the opportunity to comment on the nominee(s) and will take into consideration any comments received prior to making an appointment.

Section 1.05 – Appointment of Public Commissioners

Public Commissioners shall be appointed by the Accrediting Commission, after affording the members of the Corporation the opportunity to comment, from among the nominees designated by the Nominating Committee established by the Commission pursuant to Section 1.09.b hereof.

Section 1.06 – Term

Members of the Commission shall serve for a term of four (4) years except as provided by Section 1.08 (a-b). Upon completion of a Commissioner’s term, the Commissioner shall not be eligible for election or appointment to another term until four (4) years have elapsed. A Commissioner’s term shall commence on the first day of the Corporation’s fiscal year.

Section 1.07 – Removal

Upon a finding on a majority vote by the Commission that a School Commissioner no longer meets the requirements of Section 1.01.d or a Public Commissioner no longer meets the requirements of Section
1.01.c, such Commissioner shall be removed from office. A School Commissioner shall also be removed upon a determination by the Commission on a majority vote that one or more of the following circumstances have occurred:

a. A final action to deny or withdraw/revoke the accreditation at any institution with which the Commissioner is affiliated;

b. The involuntary loss of state authority to operate any institution with which the Commissioner is affiliated;

c. The cessation or announced cessation of operations at an institution such that the Commissioner ceases to be eligible to serve pursuant to Section 1.01;

d. The filing for reorganization or bankruptcy by any institution or its parent corporation which the Commissioner is affiliated;

e. A final finding by a state or federal agency or authority that the Commissioner engaged in fraudulent activities such that state or federal laws were violated;

f. The debarment of the Commissioner by the U.S. Department of Education from employment at any institution participating in federal student funding programs;

g. The failure of any institution with which the Commissioner is affiliated to meet its financial obligations to the Corporation which results in loss of membership; and

h. A change of control or ownership at the institution with which the Commissioner is affiliated or change of employment by the Commissioner to another institution such that the eligibility requirements of Section 1.01 (b) would not be met.

The Commission may also remove a Commissioner on a majority vote because of conviction of a felony or a crime of moral turpitude, a final determination by the Commission of a violation of the Code of Conduct adopted by the Commission, or any adverse decision rendered by a federal, state, or accrediting agency. The effective date of removal pursuant to this section shall be the date of the Commission’s vote.

Section 1.08 – Vacancies

a. In the event of a vacancy on the Commission by reason of resignation, health, removal or otherwise, the Executive Committee of the Commission established pursuant to Section 1.09.a hereof shall nominate candidates to fill such vacancy from among former Commissioners, irrespective of the date that their terms ended. Notwithstanding the foregoing, the Executive Committee may nominate only one candidate to fill a vacancy if it is not practicable to nominate multiple candidates. Based upon a review of the nominations presented by the Executive Committee, the Commission shall fill such vacancy only upon a majority vote. If a majority vote cannot be secured for a nominee, the Commission shall request new nominations from the Executive Committee, and the vacancy shall not be filled until a nominee is appointed by the Commission upon a majority vote. A Commissioner selected to fill such vacancy shall serve until the end of the fiscal year in which the Commissioner is selected.

b. The Nominating Committee established pursuant to Section 1.09.b hereof shall nominate candidates for election to serve the remainder of the term of the position in which the vacancy occurred either when it normally convenes to nominate candidates to fill vacancies on the Commission for Commissioners whose terms are expiring or at another time if the normal nominating process has been completed. A Commissioner elected to serve the remainder of a term shall thereafter be eligible to run for election to serve for a subsequent full term without having to wait four (4) years as set forth
in Section 1.06 hereof, provided that 50% or less of the term of the position in which the vacancy occurred remains to be served. If more than one-half of such term remains to be served, the Commissioner selected to fill the vacancy shall be ineligible to serve for another full term in the same manner under Section 1.06 hereof as Commissioners who have completed a term of four (4) years.

Section 1.09 – Committees

The Commission may create such standing or special committees as it may deem necessary or desirable and define their duties and responsibilities. Except as provided below, appointments to such committees shall be made by the Chair of the Commission as such office is defined in Section 1.11.a.i hereof and confirmed by the Commission. In addition to any standing or special committees created in accordance with the foregoing, the following shall constitute standing committees of the Commission:

a. Executive Committee: The membership of the Executive Committee shall consist of the Chair, Vice Chair, Secretary and Treasurer of the Corporation, as such offices are defined in Section 1.11 hereof. Between meetings of the Commission, the Executive Committee is empowered to act upon matters requiring immediate action and to issue a Warning to accredited institutions, but the Executive Committee may not change or waive standards of accreditation or grant, renew, deny or withdraw accreditation. The Executive Committee may also perform such other functions as the Commission may direct. The Executive Committee shall convene, only in person or by telephone or video conference call, whenever the Chair or, in the Chair’s absence, any two (2) members of the Executive Committee are made aware of a matter requiring Executive Committee consideration or action hereunder. At any meeting of the Executive Committee, three (3) members shall constitute a quorum. All actions of the Executive Committee shall be taken by majority vote. Accurate minutes of Executive Committee meetings shall be kept by the Executive Director and staff of the Commission under the direction of the Secretary, and final minutes approved by the Executive Committee shall be promptly circulated to the members of the Commission.

b. Nominating Committee: The Nominating Committee shall consist of five (5) persons as follows:

i. the Chair and Vice Chair of the Commission;

ii. one (1) person appointed by the Chair and confirmed by the Commission from among the following categories: a current member of the Standing Appeals Panel established by the Commission under the Standards of Accreditation, a person who has served as a leader of visiting teams used by the Commission for site visits to accredited institutions, a former School Commissioner or Public Commissioner as defined in Section 1.01, or a representative of the public with special knowledge, interest and expertise in career education and training; and

iii. two (2) representatives of the members of the Corporation with each one (1) nominated and elected by the members biennially in alternate years in accordance with the voting and election procedures provided in Section 2.07 hereof.

The Commission shall inform the members of the Corporation and other interested parties of the vacancies on the Nominating Committee and request the submission of nominations to fill those vacancies. The Commission will review the Nominating Committee nominations received, select those deemed most appropriate to serve, and will put forth for election minimally two nominations for each vacancy to be filled on the Nominating Committee, unless the Commission does not receive a sufficient number of nominations to fulfill this requirement in which case the Commission will put forth as many nominations that are deemed appropriate and as are available.
The Nominating Committee shall nominate at least a greater number of candidates than there are
vacancies on the Commission and shall report its nominations to the Commission and the members of
the Corporation, except as provided in Section 1.08 hereof. The Nominating Committee in
nominating candidates, and the Commission in appointing Commissioners pursuant to Section 1.04,
1.05, and 1.08 hereof, shall give consideration to any comments provided by the Executive Director
and to achieving a diversity of backgrounds, experiences, and perspectives in order to achieve the
purposes of the Corporation.

c. **Audit Committee**: The Audit Committee shall consist of the Treasurer of the Corporation, two (2)
Public Commissioners and one (1) School Commissioner. The Public Commissioners and School
Commissioners shall be appointed by the Chair of the Commission and confirmed by the
Commission, and the Treasurer shall serve in a non-voting capacity. The Audit Committee, with
assistance from the Executive Director, shall:

i. Recommend to the Commission the selection of an independent auditor to review the accounts
and financial affairs of the Commission;

ii. Consult with the independent auditor with regard to the plan of audit;

iii. Review and evaluate such audit and the financial reports submitted to the Commission by the
Treasurer;

iv. Consult with the independent auditor on the adequacy of internal financial controls;

v. Direct staff to ensure the availability of the Commission’s audited financial statements to
Commissioners, members of the Corporation, and the public as required by applicable law; and

vi. Ensure the annual report on the finances of the Corporation is provided to the members of the
Corporation by the Treasurer.

**Section 1.10 – Meetings**

The Commission shall convene at the annual meeting of the Corporation and a minimum three (3) times
each fiscal year for regular meetings at such times and places as may be fixed by the Commission for the
transaction of business. The Commission may also convene, only in person or by telephone or video
conference call, for special meetings whenever called by the Chair, the Executive Committee, or at least
two-thirds (2/3) of the Commission in writing. At any meeting of the Commission, a majority of the
Commission shall constitute a quorum. Except as otherwise provided by law or in these Bylaws, all
matters properly before the Commission for consideration and action shall be resolved by majority vote of
those Commissioners present and voting. Proxy voting shall not be allowed. The Commission may, at its
discretion, provide for a portion of the meeting where the members of the Corporation may attend and
express their views on matters pertinent to the business of the Commission, with the exception of specific
school actions. Meetings of the Commission shall otherwise not be open to attendance by members of the
Corporation or the public. Accurate minutes of meetings shall be kept by the Executive Director and staff
of the Commission under the direction of the Secretary, and draft minutes shall be promptly circulated to
the Commissioners for review. Final minutes shall be adopted no later than the next regular meeting of
the Commission. The Commission shall establish procedures for making available to the members of the
Corporation the accreditation actions taken after each meeting of the Commission. In addition to the
foregoing, the Commission may adopt such procedures as it deems necessary for the conduct of its
business, including meetings in executive session. In the absence of an established procedure, Roberts
Rules of Order shall apply.
Section 1.11 – Officers

a. The officers of the Corporation shall consist of the following:

i. Chair: The Chair shall preside over all Commission and Executive Committee meetings and carry out the policies established and the actions taken by the Commission. The Chair may represent the Commission in its dealings with governmental bodies, the press and the public, and may sign or approve correspondence and other instruments of the Commission. The Chair shall oversee the activities and performance of the Executive Director on behalf of the Commission. The Chair shall also perform such other duties as are assigned by the Commission and are incidental to the office of Chair.

ii. Vice Chair: The Vice Chair of the Commission is the Vice President of the Corporation and shall act in the place of the Chair in the event of the Chair’s absence or inability to carry out the duties described in Section 1.11.a.i hereof. The Vice Chair shall also perform such duties as may be assigned by the Chair or the Commission.

iii. Secretary: The Secretary shall be responsible for preparing and maintaining custody of minutes of all meetings of the members of the Corporation and of all meetings of the Commission, for authenticating the records of the Corporation, for giving all notices required by these Bylaws, and for performing all duties customary to the office of Secretary. The Secretary shall also have custody of the corporate seal of the Corporation and authority to affix the seal to any instrument requiring it.

iv. Treasurer: The Treasurer shall have custody of, and be responsible for, all funds and securities of the Corporation. The Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements of the Corporation and shall deposit all monies and other valuable property of the Corporation in such banks or depositaries as the Commission may designate. The Treasurer shall perform all duties incident to the office of Treasurer, subject to the supervision of the Commission, and shall regularly report to the Commission on the financial affairs of the Corporation.

b. The officers of the Commission shall be elected by the Commission at the conclusion of the last regular Commission meeting of the fiscal year and shall serve for a term of one year commencing the first date of the ensuing fiscal year. Officers shall be elected by a majority vote via a secret ballot conducted by the Secretary of the Corporation. Proxy voting shall not be permitted. Any member of the Commission shall be eligible to serve as an officer; provided that if the Chair is a Public Commissioner, the Vice Chair shall be a School Commissioner, and if the Chair is a School Commissioner, the Vice Chair shall be a Public Commissioner. An officer may serve for as many years, consecutively or otherwise, as he or she is a member of the Commission provided that no member of the Commission may simultaneously hold more than one office. Vacancies shall be filled by a vote of the Commission at the first meeting of the Commission immediately following the occurrence of the vacancy. A Commissioner elected to fill such a vacancy shall serve until the next regularly scheduled election of officers.

Section 1.12 – Compensation

School Commissioners shall serve on the Commission without compensation. Public Commissioners may receive honoraria for their service on the Commission. Upon presentation of appropriate documentation to the Treasurer, Commissioners shall be reimbursed for expenses incurred in the performance of Commission duties. The Commission shall annually establish and disclose to the members of the Corporation the amount of honoraria that may be paid.
Section 1.13 – Agents and Employees

a. Executive Director: The Commission shall engage an Executive Director who shall be the Commission’s Chief Executive Officer. The Executive Director shall have charge of and responsibility for the administration of the Commission’s affairs and for management of the staff of the Commission. The Executive Director shall represent the Commission in its dealings with governmental bodies, the press and the public, and sign or approve correspondence and other instruments of the Commission. The Executive Director shall be answerable to the Commission, but the Chair acting on behalf of the Commission shall oversee the Executive Director’s performance of his or her duties. Except when the Commission is in executive session to discuss and review the Executive Director’s compensation or the performance of his or her duties, the Executive Director shall attend all meetings of the Commission and the Executive Committee and participate in its deliberations in a non-voting capacity.

b. Other Agents and Employees: The Commission may engage such other agents and employees who shall have such authority and perform such duties as the Commission may prescribe.

c. Compensation: The Corporation shall pay compensation to the Executive Director and other agents and employees of the Commission in amounts established by the Commission. The Executive Committee shall serve as a Compensation Committee for the purpose of recommending the compensation of the Executive Director to the full Commission.
ARTICLE II – MEMBERS

Section 2.01 – Qualifications
The Members of the Corporation (also “member”) shall consist of institutions of higher education which provide career training and education and which have been accredited by the Commission. The members shall include main schools and branch campuses as described in the Standards of Accreditation of the Accrediting Commission.

Section 2.02 – Term
The term of membership shall be the period of accreditation by the Commission. Any member which ceases to be accredited by the Commission shall automatically, and without the necessity for further action, be deemed removed from membership. Any member may also resign by so notifying the Secretary of the Corporation in writing. Resignation results in the removal of accreditation by the Commission. All obligations owed to the Corporation, including the payment of dues and fees, shall be fulfilled prior to resignation. Each member agrees to consent to entry of judgment in a court of competent jurisdiction for the amount of all unpaid dues and fees, including all costs incurred by the Accrediting Commission in seeking recovery of the fees and dues.

Section 2.03 – Annual Meeting
The Accrediting Commission shall hold a meeting of the members annually at a date and a place to be determined by the Accrediting Commission. The purpose of such meeting shall be the delivery of a report on the budget and finances of the Corporation and its activities and affairs, approval or disapproval of dues and assessments pursuant to Article III hereof, if necessary, and the transaction of other business as specified by the Accrediting Commission.

Section 2.04 – Special Meetings
Special meetings of the members may be called at any time by the Accrediting Commission or by a request submitted in writing to the Secretary of the Corporation by a number of members that equals or exceeds the quorum set forth in Section 2.06 hereof. The Accrediting Commission shall specify a date and a place for such meetings. Only business within the purpose or purposes described in the meeting notice may be conducted at a special meeting.

Section 2.05 – Notice
Notice of the time, place, and purpose of meetings of the members shall be mailed to the last recorded address (physical or electronic) of each member at least thirty (30) days before the date appointed for the meeting. A member may waive any notice required by law or these Bylaws before or after the date and time of the meeting that is the subject of such notice. The waiver shall be in writing, signed by an authorized representative of the member, and delivered to the Secretary of the Corporation. A member that attends a meeting (1) waives objection to lack of notice or defective notice of the meeting unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and (2) except in the case of a special meeting, waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the member objects to considering the matter when it is presented.
Section 2.06 – Quorum

One-tenth of the members entitled to cast votes shall constitute a quorum at a meeting of the members for the transaction of any business. If a meeting cannot be organized because a quorum is not present, then those present may adjourn the meeting for a maximum of seven (7) days from the date of the meeting as originally scheduled without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is presented or represented, any business may be transacted that might have been transacted at the meeting as originally called.

Section 2.07 – Voting

a. Manner: Each member shall have one vote. Such vote shall be cast by an individual affiliated with and duly appointed by the member to vote (hereinafter referred to as the “Designated Delegate”). Proxies shall not be permitted on any vote, and no person may be the Designated Delegate for more than one member; however, a Designated Delegate may serve as such for up to five (5) members under common ownership and control. Election of School Commissioners, members of the Nominating Committee, and approval or disapproval of amendments to the Articles of Incorporation and the Bylaws shall occur through mail or electronic ballots in accordance with procedures established by the Accrediting Commission. All other matters subject to a vote under these Bylaws may be determined by mail or electronic ballots, voting in person at a meeting of the members, or both in accordance with procedures established by the Accrediting Commission. Election and voting procedures shall be subject to such conditions and limitations as the Accrediting Commission may establish to provide for an orderly and considered decision by members of the Corporation. Upon accreditation by the Commission, each member shall notify the Secretary of the Corporation in writing of its Designated Delegate. Changes in a member’s Designated Delegate shall be made in writing to the Secretary at least fifteen (15) days prior to the date of any scheduled meeting of the members. The record date for determining eligibility to vote shall be the date that the vote is taken.

b. Rights: In addition to amendment of the Articles of Incorporation and approval of a merger and other transactions as set forth therein, members shall have the right to vote upon the election of School Commissioners pursuant to Section 1.04a hereof, upon dues and assessments as set forth in Section 3.01 hereof, upon the selection of representatives of the members for the Nominating Committee pursuant to Section 1.09.b.iii hereof, amendment of the Bylaws of the Corporation pursuant to Section 4.04 hereof, and upon such other matters as the Accrediting Commission shall determine to submit to the members for a vote.

Section 2.08 – Members’ List

The Secretary of the Corporation shall maintain a complete list of members with the address of each. Such list shall be subject to inspection by any member at any time during the usual business hours of the Corporation.

Section 2.09 – Liability

No member shall be liable for the debts of the Corporation in any amount except to the extent of the dues, assessments, and fees required of such member pursuant to Article III hereof. Notwithstanding the foregoing, a member of the Corporation shall pay all litigation costs and expenses incurred by the Commission in defending (i) any suit, claim or proceeding filed by such member against the Corporation, Commission, or any officer, director, Commissioner, member of a committee, agent or employee acting on behalf of the Corporation or Commission if any such defendant substantially prevails in any such suit, claim or proceeding or (ii) any suit, claim or proceeding brought by a third party against a member if the
Corporation, Commission, or any officer, director, Commissioner, member of a committee, agent or employee acting on behalf of the Corporation or Commission are named as a defendant or defendants and substantially prevail.
ARTICLE III – DUES AND FEES

Section 3.01 – Dues

a. Amount: Members of the Corporation shall pay dues annually in accordance with the following: (i) if the gross tuition of the member is $1,000,000 or less, the dues shall be $900 plus .0026 times gross tuition over $200,000; (ii) if the gross tuition of the member is greater than $1,000,000 but not more than $3,000,000, dues shall be $3,000 plus .0010 times gross tuition over $1,000,000; and (iii) if the gross tuition of the member is greater than $3,000,000, dues shall be $5,000 plus .000150 times gross tuition over $3,000,000. Increases in dues shall be proposed by the Accrediting Commission and submitted to the members for approval or disapproval on a majority vote of the votes cast at the annual meeting of the Corporation.

b. Assessments: The Accrediting Commission, upon a two-thirds (2/3) vote, may propose an assessment in addition to the annual dues established pursuant to Section 3.01.a hereof where there has occurred or is impending an emergency which may impair the ability of the Corporation to achieve its purposes and the amount of annual dues is insufficient to meet the Corporation’s requirements. The proposed assessment shall be submitted to the members of the Corporation for approval or disapproval on a majority vote of the votes cast.

c. Payment: Dues and assessments are payable annually at the office of the Corporation thirty (30) days after the beginning of the fiscal year of the Corporation or pursuant to a payment schedule established by the Accrediting Commission. Dues and assessments shall be considered delinquent if not paid within ten (10) days of the due date. The Accrediting Commission may establish and charge a late fee upon the initial delinquency and monthly thereafter.

d. Proration: An institution which becomes a member during the first quarter of the fiscal year shall pay the full amount of applicable annual dues and assessments. An institution which becomes a member during any succeeding quarter shall pay a proportional amount of the applicable dues and assessments determined by the number of quarters remaining in the fiscal year after becoming a member including the quarter in which the institution became a member.

Section 3.02 – Fees

In addition to dues and assessments established pursuant to Section 3.01 hereof, the Accrediting Commission may establish fees for applications, reports, evaluations, visits, appeals, and other accreditation activities to defray the costs of such activities. The Accrediting Commission may also establish late charges to be assessed for delinquent payment of any such fee. Such fees shall be set forth in the Standards of Accreditation of the Accrediting Commission. The Accrediting Commission may change such fees after notifying the members of the Corporation of proposed changes and inviting and considering comments thereon. The schedule of fees shall be published in the Commission’s Standards of Accreditation.

Section 3.03 – Budget

The Accrediting Commission shall establish a budget for each fiscal year. A summary of such budget shall be provided to the members of the Corporation together with the notice of the annual meeting of the Corporation. The Treasurer shall report on the Corporation’s budget and finances at the annual meeting.

Section 3.04 – Fiscal Year

The fiscal year of the Corporation shall be July 1 though June 30.
ARTICLE IV – MISCELLANEOUS

Section 4.01 – Corporate Seal
The corporate seal shall be in such form as may be approved by the Accrediting Commission.

Section 4.02 – Checks, Notes, and Contracts
The Accrediting Commission shall determine the persons from amongst the Executive Committee, Executive Director, and Director-level staff who shall be authorized on the Corporation’s behalf to sign checks, drafts, or other orders for payment of money, to sign acceptances, notes or other evidences of indebtedness, and contracts, or to execute and deliver other documents and instruments. The signatures of the Chair or the Treasurer of the Commission and the Executive Director are required for any check in the amount of $10,000 or greater. The Accrediting Commission may require officers, agents, employees and other persons so authorized pursuant to this section to give security for the faithful performance of their duties.

Section 4.03 – Books and Records
The Corporation shall keep at its office correct and complete books and records of the accounts and transactions of the Corporation and a current list of the members, directors, and officers of the Corporation. Such books and records may be in written form or in any other form capable of ready conversion to written form.

Section 4.04 – Amendment of Bylaws
The Bylaws of the Corporation may be amended only upon at least a two-thirds (2/3) vote of the Accrediting Commission to propose an amendment to the members of the Corporation and an affirmative vote by mail or electronic ballot of at least two-thirds (2/3) of the votes cast by the members of the Corporation.

Section 4.05 – Indemnification and Insurance
The Corporation shall indemnify and hold harmless each director, officer, Commissioner, member of an Appeals Panel, member of a visiting team, agent, employee or other person acting on behalf of the Corporation or Commission against and from all loss, cost, and expense reasonably incurred by such person in the payment, defense, or settlement of any claim, suit or proceeding brought against such person because he or she acted on behalf of the Corporation or Commission as a director, officer, Commissioner, member of an Appeals Panel, member of a visiting team, agent or employee. The rights specified in this section shall apply whether or not such persons continue to act in such a capacity at the time the loss, cost, or expense is incurred. Such rights shall not apply in relation to any matters as to which any such person shall be finally adjudged in such claim, suit or proceeding to be liable for willful misconduct. The Accrediting Commission may also authorize the purchase and maintenance of insurance on behalf of such persons and the Corporation against any liability which arises from their actions in such capacities.

Section 4.06 – Arbitration, Jurisdiction, and Venue
a. By applying for accreditation with the Accrediting Commission, the member agrees to exhaust all appeal opportunities and to submit fully and faithfully to final, binding arbitration proceedings as set
forth in the *Standards of Accreditation*\(^1\) before filing any suit, claim or proceeding relating to membership, accreditation or accredited status, whether a claim for damages or injunctive or declaratory relief, brought by a member, former member, or applicant for accreditation, against the Corporation or the Commission, or a Commissioner, member of an Appeals Panel, member of a visiting team, or other agent or employee of the Corporation or the Commission because he or she acted on behalf of the Corporation or Commission.

b. Jurisdiction and venue of any suit, claim, or proceeding not subject to final, binding arbitration shall only be in the U.S. District Court for the Eastern District of Virginia or, if the Commission’s main office is not located in such district, in the federal district court for the district in which the main office of the Commission is located.

\(^1\) See the Instructions for Arbitration (*Appendix II – Applications, Reports, Forms, and Instructions, Substantive Standards, Standards of Accreditation*).
Unless otherwise noted, the following amendments to the Bylaws of the Accreditation Alliance of Career Schools and Colleges were approved in accordance with Section 4.04 or Section 3.01.a. of the Bylaws:

**April 19, 1995:**
- Section 2.01 (conforming revision – add “additional locations”)

**June 4, 1996:**
- Section 1.08
- Section 1.10
- Section 3.01.a

**January 22, 2001:**
- Section 4.06

**September 7, 2001:**
- Section 1.06
- Section 1.08
- Section 1.11

**August 1, 2003:**
- Section 2.01 (conforming revision – remove “additional locations”)
- Section 1.03
- Section 1.04
- Section 1.06
- Section 1.08
- Section 1.09.b
- Section 1.11.a
- Section 1.11.d
- Section 1.1.3.a

**September 1, 2009:**
- Section 1.08
- Section 1.09
- Section 2.03
- Section 2.05
- Section 2.07
- Section 4.04

**March 1, 2013:**
- Section 1.01.b
- Section 1.01.c
- Section 1.01.d
- Section 1.01.e
- Section 1.01.f
- Section 1.03
- Section 1.06
- Section 1.07.a-h
- Section 1.08.a
- Section 1.09.a-c
- Section 1.10
- Section 1.11.a-b
- Section 1.12
- Section 1.13.a&c
- Section 2.01
- Section 2.02
- Section 2.03
- Section 2.05
- Section 2.06
- Section 2.08
- Section 3.01.c
- Section 3.02
- Section 4.02
- Section 4.06