

BY-LAWS OF
GARDEN STATE COUNCIL, INC.

ARTICLE I - PURPOSES

SECTION 1: The purposes of GARDEN STATE COUNCIL, INC., shall be:

(A) To enhance the advancement of the coating application industry.

(B) To provide a conduit for communication between those involved in the coating application industry.

(C) To provide services to members that cannot be obtained in small groups or individually.

(D) To be the voice for the coating application industry.

(E) To promulgate an attitude for ethical responsibility in business.

(F) To represent the members in negotiations and daily in day-to-day activities with appropriate unions (referred hereinafter as "unions").

SECTION 2: The Corporation is irrevocably dedicated to and operated exclusively for non-profit purposes; and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of any individual.

SECTION 3: This corporation is organized exclusively for

business league and/or board of trade, and not organized for profit, including for such purposes the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law.

SECTION 4: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, Board of Directors, officers, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes. No substantial part of the activities of the corporation shall consist of 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 (1) by a corporation exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or (2) by a

corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law.

SECTION 5: This Corporation is a Council of the Painting & Decorating Contractors of America.

ARTICLE II - MEMBERSHIP

SECTION 1: Any person, corporation, partnership or estate actively engaged in the painting, decoration or other allied industries and a signatory to a union agreement is eligible to become an Active Member of this Association.

SECTION 2: Affiliate Members herein shall be companies, governmental bodies or institutions (other than contractors) employing persons in connection with or incidental to the coating application industry. They shall not be allowed to hold office and may have representation on the Board of Directors with a voice, but no vote.

SECTION 3: Associate Members herein shall be raw material suppliers, manufacturers, wholesalers, distributors, and dealers in equipment, services and materials of all kinds used in connection with or incidental to the conduct of the coating application industry. They shall not be allowed to hold office

and may have representation on the Board of Directors with a voice, but no vote.

SECTION 4: Any person, corporation, partnership or estate eligible for membership (collectively meaning active, affiliate and/or associate) under these By-Laws, upon making written application therefor, shall be elected to membership in this Association, after approval by the majority vote of the Board of Directors of the Association, and the payment in full of the appropriate initiation fee.

SECTION 5: Upon their admission, Members (collectively meaning active, affiliate and/or associate) must pay Membership dues as a lump sum in advance pro rata before being permitted to exercise the privilege of Membership.

SECTION 6: Members who fail to pay their dues and/or assessments within thirty (30) days from the time same shall become due, shall be notified by the Association, and if payment is not made within the next succeeding thirty (30) days, shall be reported to the Board of Directors as in arrears, and if so ordered by a majority vote of the Board of Directors, shall be dropped from the Membership rolls forfeiting all rights and privileges.

SECTION 7: Any Member may be expelled by a majority vote of the Board of Directors present, after notice of opportunity to appear before the Board, for conduct unbecoming a Member.

SECTION 8: Members who at any time fail to meet the eligibility requirements for Membership as described in and set forth in SECTION 1 above, shall be deemed as having resigned their Membership in this Association forfeiting all rights and privileges of Members therein.

SECTION 9: All voluntary resignations shall be made in writing to the Board of Directors.

ARTICLE III - FEES AND DUES

SECTION 1: The initiation fees and dues for Membership in this Association shall be set by a majority vote of the Board of Directors. The Board of Directors is authorized to establish different amounts of initiation fees and dues to be paid by the Membership in this Association.

SECTION 2: Assessments must be approved by a majority vote of the Active Members present at any regular or special meeting of this Association; provided, however, that seven (7) days written notice shall have been given to the entire Active Membership prior to said meeting at which assessments will be voted on.

SECTION 3: Dues shall be payable to the Association in advance in lump sum. The Treasurer shall notify all Members who are in arrears of dues and/or assessments in accordance with ARTICLE 1, SECTION 4 of these BYLAWS.

ARTICLE IV - FISCAL YEAR

SECTION 1: The fiscal year shall end the 31st day of March.

ARTICLE V - PROPERTY

SECTION 1: The property and assets of the Association are vested in the Active Members of this Association, whose rights are non-transferable. Termination of such Active Membership for any reason shall constitute a release of all right and title to the property and assets of the Association.

ARTICLE VI - FUNDS

SECTION 1: The Association funds shall be deposited at such depository and in such manner as authorized by the Board of Directors.

SECTION 2: Disbursement of Association funds shall be made by check OVER \$1,000.00 shall be signed by two persons, the Chairman and either the Treasurer or Secretary. For any check less than \$1,000.00, only one signature by any one of the three said

officers is required.

SECTION 3: The Board of Directors, on behalf of the Association, shall have the power to purchase, hold, sell, rent, lease or mortgage real estate, office furniture, office fixtures and/or office machinery, incur debts, borrow money, giving Notes of the Association, enter into contracts of any kind furthering the purpose of this Association signed by the Chairmen.

SECTION 4: The Association shall use its funds only to accomplish the objects and purposes specified in the By Laws of this Association.

SECTION 5: In the event of the dissolution of the Association or the winding up of its affairs or other liquidation of its assets, the Association's property shall not be conveyed to any organization created or operated for profit, or to any individual for less than the fair market value of such property and all assets remaining after payment of the Association's debts shall be conveyed or distributed only to an organization or organizations created for nonprofit purposes similar to those of the Association.

ARTICLE VII - VOTING

SECTION 1: Each Active Member of this Association in good standing shall be entitled to one (1) vote at all times.

SECTION 2: Each Active Member of this Association in good standing shall appoint and certify to the Secretary of the Association an individual and an alternate to be its representative in the Association who shall represent and vote for the Active Members in the affairs of this Association.

SECTION 3: Each Active Member of this Association in good standing may vote by proxy duly executed and filed in writing (including telefax) with the Secretary of the Association; provided, however, that neither the representative nor the alternate are present at said meeting.

ARTICLE VIII - QUORUM

SECTION 1: Fifty per cent (50%) of the Active Membership of the Association in good standing present in person or by proxy at a regular or special meeting of the Association shall constitute a quorum.

ARTICLE IX - MEETINGS

SECTION 1: The Association shall meet annually each year. Notice of the annual meeting signed by the Secretary shall be mailed to the last recorded address of each and all of the Members of the Association at least seven (7) days prior to such meetings, indicating the date, time and place of said meetings.

SECTION 2: Special meetings of the Association may be called at any time by the Chairman, the Board of Directors or the written request of seven (7) Active Members in good standing filed with the Secretary. Such special meetings of the Association shall take place seven (7) days after written notice by the Secretary to all Active Members, indicating the date, time, place and purpose of said special meeting. Such notice of a special meeting shall be mailed by the Secretary within seven (7) days after receipt of the written request for said special meeting by the Secretary.

SECTION 3: The order of business and rules of order at all regular and special meetings of the Association shall be as established by the Board of Directors.

ARTICLE X - BOARD OF DIRECTORS

SECTION 1: The government of the Association shall be vested in a Board of Directors which shall have control of its property and the direction of its affairs.

SECTION 2: The number of directors of the Association shall be not less than five (5) and no more than nine (9); provided, however, that there shall at all times be an odd number of Directors.

SECTION 3: The term of office of the Directors shall be three (3) years or until a successor is selected. The initial Board of Directors of the Association will be composed of the following individuals:

Clement V. Sommers

Lawrence Rossi

Gary Aulffo

Thomas A. Cirignano

William A. Cox

George Parlamas

Andy Singh

Robert Suchodolsky

David Zack

In the event of any resignation, death, disqualification, disability, substitution or refusal to act of any director, a successor director shall be designated by the Active Member by which the director was employed. In the event the Active Member fails or refuses to designate a successor director, such successor director shall be selected by a majority vote of the Active Members of the Association in good standing. Any successor director appointed as hereinabove provided shall, upon the acceptance in writing of the terms of this Trust, be vested with all of the rights, powers and duties of his predecessor. No successor director shall be

obligated to examine the accounts, records and acts of any previous director and shall not be responsible for any act or omission to act on the part of any previous director. Any director may resign by instrument in writing executed for that purpose and delivered to the Board of Directors.

SECTION 4: Whenever the total number of directors is either increased or decreased, it shall be accomplished in such a manner and in such a fashion so as to keep the number of terms expiring each year as numerically even as possible.

SECTION 5: All directors shall be appointed from the Active Members in good standing in this Association at the Annual Meeting, and any person who is a stockholder, partner, director, officer, proprietor or manager in an Active Member Corporation, Partnership or estate in good standing shall be eligible for election to the Board of Directors of the Association; provided, however, no Active Member of this Association shall be represented on the Board of Directors by more than one person or individual simultaneously.

SECTION 6: Vacancies on the Board of Directors which reduce the number of directors below the authorized number of directors as described in and set forth in SECTION 2 above, shall be filled by the Board of Directors for the balance of the unexpired term.

SECTION 7: The Board of Directors shall adopt its own rules for the operation of the Board, except that the Board shall meet annually, or on call of the Chairman. Special meetings of the Board of Directors may be called at any time by written request of three (3) directors filed with the Secretary, in which case the Secretary shall cause notice of such special meeting of the Board of Directors to be sent to the entire Board of Directors within seven (7) days of receipt of such request. Such notice shall indicate the date, time, place and purpose of such special Board Meeting. Such special meetings of the Board of Directors shall take place seven (7) days after the mailing of such notice for same.

SECTION 8: Members of the Board of Directors who are absent from three (3) consecutive meetings, without furnishing a reasonable excuse to the Board, may be terminated from membership on the Board by majority vote of the Board.

SECTION 9: At all meetings of the Board of Directors, fifty per cent (50%) of the Board shall constitute a quorum, and actions may be taken by a majority of the members present.

SECTION 10: The Board of Directors shall elect from its members a Chairman, a Secretary and a Treasurer of the

Association, who shall serve until relieved by their successor.

ARTICLE XI - OFFICERS

SECTION 1: The management of the Association shall be vested in the officers who shall operate under the advice and counsel of the Chairman, with authority to employ assistants, counsel, and agents, purchase supplies, fix salaries and execute such other matters as are incident to the management of the Association.

SECTION 2: The Chairman shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Association and the Board of Directors. He shall be a member of all Committees and he shall sign all contracts and perform such other duties as are incident to the office of Chairman, or as may be prescribed by the Board of Directors of these By Laws. He shall report to the membership at all appropriate meetings.

SECTION 3: The Chairman shall appoint all committees. The Chairman shall appoint all individuals of the Joint Trade Board and all Trustees of the various Fringe Benefit Funds, as well as any others established in the Collective Bargaining Agreements with the unions.

SECTION 4: The Secretary shall give notice of and attend all meetings of the Association and Committees. He shall keep a record of all proceedings, a list of the Members of the

Association, and perform such other duties as may be assigned to him by the Chairman, the Board of Directors, or as are prescribed by these By-Laws.

SECTION 5: The Treasurer shall keep the accounts of all monies received and expended by the Association. He shall make disbursements as authorized by the Chairman, the Board of Directors and/or as are prescribed in these By-Laws. He shall deposit all sums received in the depository approved by the Board of Directors. He shall provide the Board of Directors with reports on the status of the Association's books at the Annual Meeting. He shall make available to the Board of Directors all books and records incident to the performance of his duties upon request.

SECTION 6: There may be an Executive Director hired by the Chairman subject to the approval and pleasure of the Board of Directors, whose duty it shall be to attend all meetings of the Association and its Committees, conduct all correspondence, execute all orders not otherwise prescribed by these By-Laws or elsewhere committed, collect all dues and other monies and deliver same to the Treasurer, keep all necessary records of the staff, employees, agents, their salaries and terms of employment, supervise all employees in the performance of their duties, and to devote his ability and efforts to forwarding the objects and

purpose of this Association.

ARTICLE XII - COMMITTEES

SECTION 1: The Board of Directors shall authorize and define the scope and powers of all Committees.

SECTION 2: It shall be the function of the Committees to investigate and make recommendations. They shall report to the Board of Directors and the Chairman. No standing or special Committee shall represent this Association in an advocacy or opposition to any project without the specific confirmation of the Board of Directors to that Committee; nor shall any Committee take or make public any formal action or make public any resolution or, in any way, commit this Association on a question of policy without prior approval of the Board of Directors.

SECTION 3: All Committees shall be discharged by the Chairman when their work has been completed and their reports accepted.

ARTICLE XIII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 1: The Association shall indemnify and hold harmless each Chairman, director, officer, and member of committees serving the Association from and against any and all such claims and liabilities to which he may be or may become subject by reason of his being or having been a director, officer and/or member of a committee of the Association and/or by reason of his

alleged acts or omissions as such, and shall reimburse him for all legal and other expenses reasonably incurred in connection with defending against any such claim or liabilities provided, however, that he shall not be indemnified against or be reimbursed for any expenses incurred in defending against any claim or liability arising out of willful negligence or willful misconduct. No indemnification shall be made to or on behalf of a director or officer if a judgment or other final adjudication adverse to the director or officer establishes that his acts or omissions (1) were in breach of his duty of loyalty to the Association or its members, (2) were not in good faith or involved a knowing violation of law, or (3) resulted in receipt by the director or officer of an improper personal benefit.

SECTION 2: No director or officer of the Association shall be personally liable to this Association or to any member of this Association for breach of any duty owed to the Association or its members, provided, however, that this provision shall not relieve a Chairman, director, or officer from liability based upon an act of omission, (1) in breach of such person's duty of loyalty to the Association or its member, (2) not in good faith or involving a knowing violation of law, or (3) resulting in receipt by such person of an improper personal benefit.

ARTICLE XIV - AMENDMENTS

SECTION 1: These By-Laws may be amended, repealed or altered, in whole or in part, by a majority vote of the Board of Directors provided that the proposed change or changes are submitted by mail to the last recorded address of each Active Member in good standing at least thirty (30) days prior to the meeting at which a vote shall take place.