

# **GEORGIA JETS FLYING CLUB, INC.**

## **CORPORATION BYLAWS**

### **TITLE I**

#### **GENERAL PROVISIONS**

##### 1.1. Purpose of Bylaws

These bylaws constitute the code of rules for the regulation and management of the GEORGIA JETS FLYING CLUB, INC., as authorized by its Articles of Incorporation. As used in these bylaws, this corporation is referred to as the "Corporation" or "Club" and the Georgia Nonprofit Corporation Code (or a section codified in Chapter 3 of Title 14 of the Official Code of Georgia Annotated) is referred to as the "Code" (or "Code section"). These bylaws are adopted in order to fulfill the objectives of the Corporation as stated in the articles and Code section 301, and to exercise the powers conferred upon the Corporation under Code section 302. The Club is a non-profit aero modeling organization whose sole purpose is to operate for the recreational benefit of its members. The Club's flying site, located near the intersection of Alps Road and Little Patrick Road in Meriwether County, Georgia, is owned by Quantum Airfield, LLC hereinafter referred to as "Site Owner".

##### 1.2. Registered Office and Agent

The Board of Directors, as described in Title 4, will designate a registered agent and registered office for service of legal process; these designations are to be filed with the Georgia Secretary of State as required by the Code. The Board may change these designations at any time. In the event the Board fails to make a designation, or a registered agent resigns without a new designation of a registered agent and office, then the President of the Corporation, and the President's address, are to be filed with the Georgia Secretary of State as the registered agent and office of the Corporation until the Board of Directors makes some other affirmative designation.

##### 1.3. Business Office(s) Authorized

Either the Board of Directors or the membership of the Corporation may establish one or more offices for the conduct of business within this state, whenever circumstances warrant.

##### 1.4. Procedure Rules at Meetings

It is understood that in the transaction of its business, the meetings of the Corporation, its Board of Directors and its committees may be conducted with informality; however, this informality does not apply to procedural requirements required in the Articles of Incorporation, these bylaws, or the Code. When circumstances warrant, any meeting or a portion of a meeting will be conducted according to generally understood principles of parliamentary procedure as stated in the Articles of Incorporation, these bylaws, or a recognized procedural reference authority. The procedural reference authority for the Corporation is designated as the latest edition of Robert's Rules of Order, Newly Revised.

##### 1.5. Computation of Members Eligible to Vote or Act as of "Record Date."

Members shall have no voting rights. As required by the Code, the Secretary shall prepare an alphabetical list of members qualified to participate on a particular matter as of the "record date" for that particular matter. Each list is to be available for inspection or copying by any member, the member's

agent or attorney, as provided by the Code. The "record date" for any meeting of the membership of the Corporation, is that date that is ten days prior to the scheduled date of the particular meeting.

## **TITLE 2**

### **MEMBERSHIP**

#### 2.1. Eligibility for Regular Membership

Membership in the Corporation is open to any natural person: (1) who has a valid and current membership in the Academy of Model Aeronautics (AMA); and (2) who has paid the requisite fees and dues is to be considered an active member in good standing , as defined in this Title 2 section of the bylaws.

All members shall adhere to all applicable rules and regulations as outlined in the Georgia Jets Flying Club, Inc.'s Rules and Regulations and the AMA Safety Code and associated documents. All members and guests may fly any model aircraft that adhere to the AMA's safety code at the Club's flying site including jets, propeller models, gliders and helicopters.

#### 2.2. Application and Selection to Membership

2.2.1. A person desiring membership in the Club must submit a written application to the Secretary/Treasurer.

2.2.2. The applicant will be submitted to the Board of Directors. The applicant will be deemed a member if no Board member objects within one week of submission to the Board and, upon notification by the Secretary /Treasurer, has tendered payment of all applicable dues. If one or more Board members object to an applicant then the Board will conduct a vote and upon a majority vote of the Board, and approval by Owner, the applicant will be accepted as a member. If a prospective member fails to receive a majority vote or Owner does not approve the application, the applicant shall be notified that the application was not accepted.

#### 2.3. Membership Classes

Those acquiring membership in the Club shall have a nonexclusive, revocable license to use the Club facilities in accordance with the terms and conditions of the member's membership classification as outlined in these bylaws and the Rules and Regulations.

2.3.1. Open Membership. Open Membership allows the member use of all facilities and privileges commensurate with his qualifications. Open Members with turbine waivers will be allowed access to the storage facility in order to position fire fighting equipment.

2.3.2. Non-Resident Membership. Non-Resident Memberships are available to members who reside outside of a 250 mile driving distance to the flying site. Non-Resident Members are limited to flying aircraft at the flying site a total of ten (10) visits per year with each visit not to exceed five (5) contiguous days after which they must upgrade to an open membership in order to continue using the flying site.

2.3.3. Honorary Membership. An Honorary Membership allows the member use of all facilities without payment of any initiation fees, or dues. The issuance of an Honorary Membership is a privilege gratuitously conferred by the Site Owner in its sole discretion and may be revoked by the Site Owner at any time and for any reasons whatsoever.

2.3.4. Youth Membership. Youth Memberships are available to members at or under the age of 16. Youth Membership allows the member the use of all facilities and privileges commensurate with his qualifications while under the supervision of an Open member. Youth Membership dues will be charged at a reduced rate. 2.3.5. Provisional Membership. Provisional Memberships are available only when the Open Membership is full. Provisional Membership applicants must meet either one of the following two requirements:

(a) The applicant must be a jet modeler. That is, the applicant must either own a jet model, jet model kit or be a turbine waiver holder; or;

(b) The applicant must be generally recognized as a prominent leader within the model aviation community. The following is a non-exclusive list of examples of prominent leaders in the model aviation community: AMA officials, AMA SIG officials, model aviation industry company owners and top ten competitors in any area of model aviation competition (scale, pattern, racing, et.al.).

Provisional Membership applicants must apply and be processed as is described in Section 2.2 of the club's bylaws. Subsequently, the applicant must be nominated to become a Provisional Member by a member of the club's Board of Directors. Upon unanimous approval by the club's officers (President, Vice President, Secretary, Treasurer) and the site Owner the applicant will be deemed a Provisional Member. Provisional Membership Dues and Initiation Fees will be the same as for Open Memberships. Each Provisional Membership will be converted to an Open Membership at the first opportunity that an opening occurs in the Open Membership category. Provisional Members will become Open Members in the same order that they originally became Provisional Members.

2.3.6. Family Privileges. Immediate family members are permitted to use the Club flying site and participate in all club activities. Immediate family members are not required to pay dues, however, they are required to have a valid and current AMA membership in order to fly at the Club flying site. For the purpose of these bylaws "immediate family members" is defined as follows:

(a) Spouses and;

(b) Children that are 18 years of age or younger as of January 1 of each year.

2.3.7. Visitor Guest Privileges. All Georgia Jets club members may bring guests to the Club field. Such guests are permitted to fly model aircraft so long as they are current members of the AMA and are always accompanied by a Georgia Jets club member. However, each guest is limited to flying aircraft as follows:

(a) Resident Guests (Guests residing within a 250 mile driving distance to the flying site). Resident Guests are limited to a total of three (3) separate days per year after which they must join the club in order to continue flying at the site.

(b) Non-Resident Guests (Guests residing outside of a 250 mile driving distance to the flying site). Non-Resident Guests are limited to either of the following restrictions as designated by the hosting member:

(i) Limit of one (1) visit per year with such visit not to exceed five (5) contiguous days or;

(ii) Limit of three (3) separate days per year same as Resident Guests.

#### 2.4. Control of membership Classes

The total number of Open Memberships, Non-Resident Memberships, Honorary Memberships, and Youth Memberships shall be set forth on the Membership Dues Schedule as may be amended from time to time. The total number of Provisional Memberships must not exceed five (5).

#### 2.5. Ownership Rights

No member shall have any right to share in or designate the use of the revenues, income, or profits realized from the operation or sale of the Club. Members are not liable for the debts or other operations of the Club or Site Owner. No member shall have any voice in the management of the Club operations except as stated in these Bylaws. Acceptance of a membership in the Club constitutes acceptance and agreement by the member to abide by these Bylaws and the Rules and Regulations.

#### 2.6. Liability for Injuries

In consideration of the privileges described herein, each member and each person or guest using the facilities, equipment and amenities of the Club through a member's membership, expressly agrees that all use of the Club's facilities, equipment and amenities is undertaken at the sole risk of the user, and the Site Owner shall not be liable for any injuries or damages to any member or other persons; and the Site Owner and officers, shareholders, agents and employees and the Board of Directors and committee members (Released Parties) shall not be subject to and are hereby released and forever discharged from any claims or demands whatsoever, including, without any limitation, those claims or demands resulting from acts or omissions of active or passive negligence on the part of the Released Parties.

#### 2.7. Dues and Financial Obligations

2.7.1. Dues Schedule. Dues schedules shall be formulated each year by the Board and approved by the Site Owner. Dues for each year shall be due and payable on January 31.

2.7.2. Initiation Fee. New member initiation fees will be determined by The Board each year. Initiation fees are payable along with dues as applicable according to the Dues Schedule at the time of application for membership.

2.7.3. Assessments. The Board shall have the discretion to assess additional monies from the membership for facility improvements and repair.

#### 2.8. Suspension from Active Status, Termination and Resignation

2.8.1. Failure to pay applicable dues by the January 31 due date shall render the delinquent member suspended, ineligible to use Club facilities and the membership shall be considered lapsed.

2.8.2 Any member whose annual fee payment is not received by the Treasurer by January 31 of a given year will be automatically terminated by the Secretary, and the member stricken from the membership roster without further notice. Any member who has been either suspended or terminated remains obligated to the Corporation for any charges, assessments, dues fees or amount that is outstanding as of the date the membership is suspended or terminated.

2.8.3. Any member may be terminated at any time by an affirmative vote of a majority of the Board of Directors. At least ten days prior to the Board's vote, the Board shall send notice by first class certified mail, return receipt requested, to the person whose membership it proposes to terminate, advising that member of the intended action, stating the reasons termination of membership is proposed, and providing to the member an opportunity to respond to the statement provided by the Board before any vote is taken. Any termination of a member approved by the Board shall take effect on the earlier of the date upon notification given to the terminated member, or five days after the vote to approve the termination. The Board shall send notification to such terminated member by registered mail or other overnight service no later than the day following the vote to approve the termination. Any member who has been terminated remains obligated to the Corporation for any charges, assessments, dues, fees or amount that is outstanding as of the date the membership is terminated. Any dues or fees previously paid by the terminated member shall be refunded on a pro-rata basis.

2.8.4. Any member of the Corporation may resign their membership in the Corporation by a written notice to the Secretary, with no refund, rebate, or rescission of dues or fees. Any member who resigns his membership remains obligated to the Corporation for any charges, assessments, dues fees or amount that is outstanding as of the date the member resigned.

### 2.9. Rejoining

Any person that was terminated for not renewing their membership by the January 31 deadline or that otherwise resigned their membership and who want to rejoin the club will be considered as a new membership applicant. As such, all persons applying to rejoin the club must submit a new membership application, dues payment and initiation fee. The initiation fee will be payable along with dues as applicable according to the Dues Schedule at the time of application to rejoin the membership.

## **TITLE 3**

### **RULES OF CONDUCT**

#### 3.1. Grounds

3.1.1. The Board shall have the power to reprimand, suspend, expel, or otherwise discipline any member for committing any violation of these Bylaws or the Rules and Regulation; or for other good and sufficient cause determined by the Board. The Board shall have the power to ground any pilot or aircraft if the board determines that such pilot or aircraft are operating in an unsafe manner. The Board shall have the power to suspend, expel, or discipline any member for nonpayment of dues as discussed in these Bylaws.

3.1.2. If any member ceases to have the qualification necessary for membership in the AMA, said members Club membership shall thereby terminate, subject to reinstatement upon restoration of eligibility.

3.1.3. Complaints concerning the conduct of any member shall be submitted to the Board, who shall decide if the matter is to be further investigated. If further investigation is warranted, notice of a hearing on any such complaint shall be sent to the member in question. All hearings shall be closed, except as to the member charged and

witnesses. Following the hearing The Board shall issue a finding and notify the member of any decisions applicable.

3.1.4. In the event a member is expelled from the Club such member shall be barred from admittance to the Club field under any circumstances and the member's membership shall be terminated.

3.1.5. In the event that an individual is determined to have violated the Club's Rules and Regulations resulting in damage to another member's property or model aircraft then the offending individual must compensate the other member for the financial impact caused by the rules violation. 3.1.6. In so far as all AMA and Georgia Jets flying site rules are obeyed then all damage caused by accidents are blameless and with out fault including mid-air incidents.

## **TITLE 4**

### **BOARD OF DIRECTORS**

#### 4.1. Club Management

The Club shall be managed solely by its Board of Directors. The Board of Directors ("The Board") is comprised of members of the Club and shall provide advice and counsel as to the operation and Rules and Regulations of the Club. There shall be four officers of the Club: President, Vice President, Treasurer, and Secretary.

#### 4.2. Qualifications and Selection

The Board of Directors shall consist of members from the general membership of the Club. The Board shall be nominated by the Site Owner and shall serve at the Site Owner's discretion. The Site Owner may remove any member of the Board at any time for any reason.

#### 4.3. Officer Elections

The four officers of the Club shall be elected by the Board of Directors. The tenure of the four officers is one year.

4.4. Committee Chairmen Appointments Committee chairman shall be appointed by the Board of Directors. Committee Chairman Positions include Safety, Field, and Contest/Events. The tenure of Committee Chairmen is one year.

#### 4.5. Rules and Regulations

From time to time the Board may establish and/or amend the rules and regulations for control and operation of the Club, its facilities and the code of conduct of members while using the Club. The Rules and Regulations shall become effective immediately upon the posting of a copy in a conspicuous place at the Club's flying site or upon their mailing to Club members. The provisions of these membership Bylaws shall control in the event of any conflict or inconsistency between these Bylaws and the Rules and Regulations.

#### 4.6. Availability of Facilities

4.6.1. Site Owner. The Site Owner reserves the right, in its sole and absolute discretion, to discontinue or modify operation of any or all of the facilities; to sell or otherwise dispose of the facilities; and to make any other changes in the terms and

conditions of membership or the facilities available for use by members. Use of the facilities may be restricted or reserved from time to time as determined by the Site Owner, and the Site Owner may extend privileges of the Club and the right to use the facilities to such other persons and upon such terms as the Site Owner may from time to time prescribe.

4.6.2. Events and Contests. Model Aviation Events may be held at the flying site during which the flying site will be closed to the general membership. These Model Aviation Events must be preapproved by the Board of Directors based on information provided by the applicant on a Georgia Jets Event Application Form. The individual completing the form must demonstrate compelling reasons why the requested event should be hosted at the Georgia Jets Airfield thereby closing the field to the membership for the duration of the event. At a minimum, the following terms and conditions must be met: A) The event or contest must be a sanctioned AMA Modeling event that is envisioned to have regional or national prominence. B) All monetary proceeds (pilot entry fees, donations, parking fees, etc.) and profits resulting from the event must be paid to the club. Reasonable expenses may be deducted as approved by the Board of Directors. C) A minimum daily financial benefit is to be specified by the Board of Directors. The minimum daily financial benefit will be periodically revised as deemed appropriate by the board of Directors. D) Any event that is held must provide the minimum daily financial benefit as specified by the Board of Directors. Otherwise, that event will not be approved again.

#### 4.7. Activities of the Board of Directors

The Board shall advise and counsel the Owner on any and all items relating to the conduct of Club affairs. The Board shall represent the entire membership on Club matters and administer Club policy. The Board shall nominate and elect Club Officers. The Board shall appoint Committee Chairmen.

#### 4.8. General Procedure

The Board shall meet as required for the purpose of conducting the business of the Club. A simple majority is sufficient to conduct business. The President shall be responsible for notifying all Board members of proposed meeting times and dates, and if present, shall preside at all meetings.

#### 4.9. Duties of Officers

4.9.1. The President shall preside at all meetings of the Club if present. The President shall report to Owner and shall represent the Club in all matters concerning Club business.

4.9.2. It shall be the duty of the Vice-President in the absence of the President, to assume all the duties of the President.

4.9.3. It shall be the duty of the Secretary to keep a record of the meetings of the Club membership, and post minutes of said meetings on the Club web site. In addition, the Secretary shall be responsible for disseminating Club information to the membership.

4.9.4. It shall be the duty of the treasurer to receive all money due to the Club and to pay all bills contracted by the Club, keeping a correct account of receipts and

disbursements. The treasurer is also responsible for keeping and administering Club membership rosters.

4.9.5 The Field Chairman shall be responsible for ensuring that the field is properly maintained and recommend to the Board improvements and changes.

4.9.6. The Safety Chairman shall be responsible for chairing the safety committee and ensuring all existing safety regulations are enforced. The Safety Chairman is the main point of contact for processing safety grievances.

4.9.7. The Contest/Events Chairman is responsible for all Club related events and contests. The Contest/Events Chairman shall coordinate contest directors and shall represent the Board in all contest/event matters.

## **TITLE 5**

### **CODE PROVISIONS INCORPORATED**

#### **5.1. Indemnification**

A. Authority to Indemnify. Except as otherwise provided in this section, the corporation may indemnify an individual who is a party to a proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal) because he or she is or was a director against liability to pay a judgment, settlement, penalty, fine (including the obligation to pay an excise tax assessed with respect to an employee benefit plan), or reasonable expenses, including counsel fees, incurred with respect to the proceeding if:

(1) Such individual conducted himself or herself in good faith; and

(2) Such individual reasonably believed:

(a) In the case of conduct in his or her official capacity as director of the corporation, that such conduct was in the best interests of the corporation;

(b) In all other cases, that such conduct was at least not opposed to the best interests of the corporation; and

(c) In the case of any criminal proceeding, that the individual had no reasonable cause to believe such conduct was unlawful. A director's conduct with respect to an employee benefit plan for a purpose he or she believed in good faith to be in the interests of the participants and beneficiaries of the plan is conduct that satisfies the requirement of subparagraphs (1) and (2) of this paragraph A. Further, the termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section. The corporation may not indemnify a director under this section in connection with a proceeding by or in the right of the corporation, except for reasonable expenses, including counsel fees, incurred in connection with the proceeding if it is determined that the director has meet the relevant standard of conduct under this section, or in connection with any other proceeding with respect to conduct for which the director was adjudged liable on the basis that a personal benefit was improperly received by him or her, whether or not involving action in his or her official capacity as a director of the corporation.



B. Mandatory Indemnification. The corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal) to which the director was a party because he or she was a director of the corporation against the reasonable expenses, including counsel fees, incurred by the director in connection with the proceeding.

C. Court-Ordered Indemnification or Advance for Expenses. A director who is a party to a proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal), because he or she is a director may apply for indemnification or advance for expenses (including counsel fees) to the court conducting the proceeding or to another court of competent jurisdiction. After receipt of the application and after giving any notice it considers necessary, the court shall order indemnification or advance for expenses if it determines:

(1) that the director is entitled to indemnification under this Section 5.1., or

(2) in view of all of the relevant circumstances, that it is fair and reasonable to indemnify or advance expenses to the director, even if the director has not met the relevant standard of conduct in paragraph A of this Section 5.1, or was adjudged liable in a proceeding by or in the right of the corporation, except for reasonable expenses; including counsel fees, incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct under this section, or in connection with any other proceeding with respect to conduct for which the director was adjudged liable on the basis that a personal benefit was improperly received by him or her, whether or not involving action in his or her official capacity as a director of the corporation. If the court determines that the director is entitled to indemnification or advance for expenses, it may also order the corporation to pay the director's reasonable expenses, including counsel fees, to obtain court ordered indemnification or advance for expenses.

D. Procedure for Determination. The corporation may not indemnify a director under Paragraph A of this Section 5.1 unless authorized under the terms of Paragraph A of this Section 5.1, and a determination has been made for a specific proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal), that indemnification of the director is permissible in the circumstances because the director has met the relevant standard of conduct set forth in Paragraph A of this Section 5.1. The determination shall be made:

(1) If there were two or more disinterested directors, by the Board of Directors by a majority vote of all of the disinterested directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote);

(2) By special legal counsel selected in the manner described in paragraph (1) of this subparagraph or, if there are fewer than two disinterested directors selected by the Board of Directors (in which selection directors who do not qualify as disinterested directors may participate); or

(3) By special legal counsel selected by a super majority vote by the directors... Authorization of indemnification or of an obligation to indemnify and the evaluation as to the reasonableness of expenses, including counsel fees, shall be made in the same manner as the determination that indemnification is permissible.

E. Authorization of Indemnification Exceeding Statutory Levels. This section authorizes the corporation to indemnify or obligate itself to indemnify a director made a party to a proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal), without regard to the limitations contained in Part 5 of Article 8 of the Georgia Nonprofit Corporation Code, or of other provisions of this Section 5.1. The director who at the time does not qualify as a disinterested director with respect to any existing or threatened proceeding that would be covered by the authorization may not vote with respect to the authorization. The corporation shall not indemnify a director under this section for any liability incurred in a proceeding in which the director is adjudged liable to the corporation or is subjected to injunctive relief in favor of the corporation for:

- (1) any appropriation, in violation of the director's duties, of any business opportunity of the corporation,
- (2) acts or omissions which involve intentional misconduct or a knowing violation of law,
- (3) the types of liability respecting improper corporate distributions under O.C.G.A. § 14-3-831, or
- (4) any transaction from which the director received an improper personal benefit. Before the corporation may advance or reimburse expenses of a director prior to the final disposition of a proceeding, as approved or authorized under this section, the director is to furnish to the corporation a written affirmation of his or her good faith belief that his or her conduct does not constitute behavior described in the preceding sentence of this section and furnishes to the corporation a written undertaking, executed personally or on his or her behalf, to repay any funds advanced if it is ultimately determined that the director is not entitled to indemnification under this section.

F. Indemnification or Advance of Expenses for Officer of Corporation; Indemnification or Advance of Expenses for Employees and Agents.

(1) The corporation may indemnify and advance expenses under this Section 5.1 to an officer of the corporation who is a party to a proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal), because he or she is an officer of the corporation to the same extent as a director, as provided in this Article. If the sole basis on which he or she is made a party to the proceeding is an act or omission solely as an officer, the corporation may indemnify or advance expenses to such further extent permitted by the laws of Georgia, except for liability arising out of conduct that constitutes:

- (a) appropriation, in violation of his or her duties as an officer, of any business opportunity of the corporation,
- (b) acts or omissions which involve intentional misconduct or a knowing violation of law,
- (c) the types of liability for improper corporate distributions (as specified in O.C.G.A. § 14-3-831), or
- (d) the receipt of an improper personal benefit.

An officer of the corporation who is not a director is entitled to mandatory indemnification under paragraph B of this Section 5.1, may apply to a court for indemnification or advances for expenses under paragraph C of this Section 5.1 to the same extent to which a director may be entitled to indemnification for advances for expenses.

(2) The corporation shall indemnify and advance expenses to an employee or agent of the corporation who is not a director to the fullest possible extent, consistent with public policy and to the fullest extent permitted by the laws of Georgia. The procedures for such indemnification or advance shall be consistent with those for directors or officers of the corporation.

G. Insurance. The corporation may purchase and maintain insurance on behalf of each individual who is a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, serves at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify or advance expenses to him or her against the same liability under this Article.

H. Prior Obligation to Indemnify or Advance Expenses. Pursuant to the provisions of O.C.G.A. § 14-3-858, the corporation is authorized to obligate itself in advance of the act or omission giving rise to a proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal), to provide indemnification or advance funds to pay for or reimburse expenses of a director, officer, employee or agent to the fullest extent permitted by the laws of Georgia. The corporation has power to pay or reimburse a director or officer in connection with his or her appearance as a witness in a proceeding (whether threatened, pending or completed action, suit or proceeding, and whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal), at a time when he or she is not a party. Further, except to the extent limited in Paragraph G of this Section 5.1, this Section 5.1 does not otherwise limit the corporation's power to indemnify, advance expenses to, or provide or maintain insurance on behalf of an employee or agent.

I. Definitions Section. As used in this Section 5.1, unless the context clearly requires a different meaning, the term:

(1) "Corporation" includes any domestic or foreign predecessor entity of a corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(2) "Director" or "officer" means an individual who is or who was a director or officer, respectively, of a corporation, or who, while a director or officer of the corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity. A director or officer is considered to be serving an employee benefit plan at the corporation's request if his or her duties to the corporation also impose duties on, or otherwise involve services by the director or officer to the plan or to participants in or beneficiaries of the plan. Further, unless the context otherwise requires, "director" or "officer" includes the estate or personal representative of a director or officer.

(3) "Disinterested Director" means a director who at the time of a vote or other action by the Board of Directors of the corporation is not a party to the proceeding; or is an individual who is a party to a proceeding having a familial, financial, professional, or employment relationship with the director whose indemnification or advance for expenses is the subject of the decision being made with respect to the proceeding, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director's judgment when voting on the decision being made.

(4) "Expenses" includes counsel fees.

(5) "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(6) "Official capacity" means when used with respect to a director, the office of director in the corporation, and when used with respect to an officer, as contemplated in paragraph G of this Section 5.1, the office in the corporation held by the officer. "Official capacity" does not include service for any other domestic or foreign corporation or any partnership, joint venture, trust, employee benefit plan, or other entity.

(7) "Party" means an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(8) "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, and whether formal or informal.

#### 5.2. Procedures Where Director has Conflicting Interest in Transaction

The provisions of Part 6 of Article 8 of the Code, relating to rules governing the procedures to be applied where a director has a conflicting interest in a transaction involving the Corporation, is adopted by the Corporation by this reference as a bylaw of the Corporation.

#### 5.3. Sales of Assets Outside Regular Course of Business

The provisions of Article 12 of the Code, relating to the sale of all, or substantially all of the assets of the Corporation outside the regular course of business, is adopted by the Corporation by this reference, as a bylaw of the Corporation.

#### 5.4. Records to be Kept; Right of Inspection by Members

The provisions of Article 16 of the Code, relating to the records of the Corporation, and the right of members to inspect, copy or review the Corporation's records, is adopted by the Corporation by this reference, as a bylaw of the Corporation. The board or the membership may adopt any needful rules or regulation necessary to implement these provisions.

### **TITLE 6**

#### **REIMBURSEMENT BY CORPORATION EMPLOYEES**

##### 6.1. Procedures

Any payments made to an employee of the Corporation in the form of reimbursement, a salary, or bonus payment, that is disallowed, in whole or in part, as a deductible expense to the

Corporation for Federal or State income tax purposes by the Internal Revenue Service, or by the revenue department of any State, shall be reimbursed by such employee to the Corporation to the full extent of such disallowance within six (6) months after the date on which the Corporation is assessed a deficiency with respect to such allowance. It shall be the duty of the Board of Directors of the Corporation to enforce payment to the Corporation by any such employee for the amount disallowed. The Corporation shall not be required to legally defend any proposed disallowance by the Internal Revenue Service or by the revenue department of any State, and the amount required to be reimbursed by such employee shall be the amount, as finally determined by agreement or otherwise, which is actually disallowed as a deduction. In lieu of payment to the Corporation by any such employee, the Board of Directors may, in the discretion of the Board, withhold amounts from such employee's future compensation payments until the amount owed to the Corporation has been fully recovered.

## **TITLE 7**

### **AMENDMENTS**

#### **7.1. Amendments to Articles of Incorporation**

Any change in the Articles of Incorporation of the Corporation is not adopted unless a proposal is submitted to the Board of Directors for a vote as to whether the proposal should be adopted, be adopted with amendments, or be rejected, and the board's reasons for their recommendation. Proposals may be initiated by a vote of the Board of Directors, or by any two directors of the Corporation. When the proposal is presented for consideration at a meeting of the membership of the Corporation, it is open to any amendments or other action as the Board of Directors approves, without limitation. No proposal to change the Articles of Incorporation is adopted unless two-thirds of the directors affirmatively vote, with a quorum present at a meeting, or with a quorum of ballots when voted upon by mail to approve the proposal. Once adopted, no change is effective until it is filed with the Georgia Secretary of State as required by the code.

#### **7.2. Amendments to Bylaws**

Any change in these bylaws is not adopted unless a proposal is submitted to the Board of Directors for a vote as to whether the proposal should be adopted, be adopted with amendments, or be rejected, and the board's reasons for their recommendation. Proposals may be initiated by a vote of the Board of Directors, or by any two directors of the Corporation. When the proposal is presented for consideration at a meeting of the membership of the Corporation, it is open to any amendments or other action as the Board of Directors approves, without limitation. No proposal to change the bylaws is adopted unless a majority of the directors affirmatively vote, with a quorum present at a meeting, or with a quorum of ballots when voted upon by mail to approve the proposal. Once adopted, any change to these bylaws is immediately effective, unless some later date is designated in the proposal.