



**OFFICIAL COPY**

**BY-LAWS**  
**OF**  
**GRAY FALCONS PILOTS**  
**ASSOCIATION, INC.**

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**of**  
**GRAY FALCONS PILOTS ASSOCIATION, INC.**

Adopted: April 5, 2012

**ARTICLE I**  
**NAME**

1.1. The name of this organization shall be the Gray Falcons Pilots Association, here-in-after referred to as “the Association”. The Association may also be referred to as the GFPA.

1.2. The principal office and business address of the Association shall be designated by the Association’s Board of Directors, here-in-after referred to as “the Board”. Absent such designation, the principal office and address shall be that of the President of the Board or Registered Agent.

1.3. The Association may also have an official website and e-mail address, as determined by the Board.

1.4. The Association’s current principal and business address is as follows:

The Gray Falcons Pilots Association  
R. Donald Wilson, President  
11103 Wexford Drive  
Eads, Tennessee 38028

1.5. The Association’s current mailing address is as follows:

**The Gray Falcons Pilots Association**  
**P. O. Box 38098**  
**Germantown, TN 38183**

1.6. The Association’s current electronic addresses are as follows:

**E-Mail:** [president@grayfalcons.com](mailto:president@grayfalcons.com)

**Web:** [www.grayfalcons.com](http://www.grayfalcons.com)

1.7. These addresses may be changed by the Board without an amendment to these By-Laws.

## **ARTICLE II** **PURPOSE AND OBJECTIVES**

2.1. It is intended that Gray Falcons Pilots Association, Inc. (the "Association") will qualify at all times as an organization exempt from federal income tax under Section 501(a) and 501(c)(7) of the Internal Revenue Code of 1986 or the corresponding provisions of any future United States Internal Revenue Law (referred to herein as the "Code") and that it will qualify as other than a private foundation described in Section 509 of the Code. The Association is formed for pleasure, recreation, or other nonprofit purposes within the meaning of Section 501(c)(7) of the Code, including, but not limited to, the promotion and enhancement of the relationships of the Association and its members with FedEx Express (the "Company"), but only to the extent and in such manner that such purposes constitute exclusively pleasure, recreation, or other nonprofit purposes within the meaning of Section 501(c)(7) of the Code.

2.2. No part of the net earnings or the property of this Association shall inure to the benefit of or be distributable to, its directors, officers, members or other private individuals or persons, except that the Association shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments in furtherance of the purposes set forth in the paragraph just above. The Association shall not carry on propaganda or otherwise attempt to influence legislation in any manner which is not permitted under the Code.

2.3. The Association's *primary purpose* is to promote and enhance the relationship of the Association and its members with the Company, our current or former employer. The Association is not an agent or representative of the Company, does not seek to be an agent or representative and is not authorized to act as such.

2.4. The Association intends to exist and operate as an independent organization, although it may, from time to time, act in conjunction and/or partnership with other organizations. This does not preclude the acceptance of financial support from another entity, provided such support does not in any way impinge upon the independence of the Association.

2.5. The Association also adopts the following *primary objectives* in serving the membership:

A. Helping to maintain and continue the close personal relationships of its members by organizing and hosting various social events, such as monthly luncheons, bi-annual Conventions, special events, charitable events, etc.

B. Promoting the general welfare of the membership by providing, if possible, any requested help or aid to members, or surviving spouses/companions of members, requesting same,

C. When possible, providing information, or assistance in obtaining information, on subjects relevant to retirement or approaching retirement.

D. Providing information, or links to information, on benefit programs, internal and external, available as a result of employment with the Company.

E. No provision of these By-Laws, and this section (2.5), is intended to limit the scope of the Association in service to the membership, or require specific aid to or for any particular member.

F. Any referral to information, services, providers or benefits does not constitute an endorsement of such entities.

G. In no case, except under court order, will the Association release the personal information of a member, or cause a member to be subject to unrequested contact/solicitation by any information provider.

### **ARTICLE III** **MEMBERSHIP AND DUES**

3.1. There are four categories of membership in the Organization – Regular, Associate, Affiliate and Honorary.

3.2. **Regular Member.** Regular Membership shall be extended to all retired FedEx Express flight crewmembers, including those retired due to issues other than mandatory age retirement (early retirement, medical retirement, etc.) and all active FedEx Express flight crewmembers within five years of their earliest retirement date. Regular members are required to pay dues in accordance with the published website dues schedule. Regular Members are allowed to vote on all Association business.

3.3. **Associate Member.** Associate Membership shall be extended to all active FedEx Express flight crewmembers. Associate Members are required to pay membership dues in accordance with the published website dues schedule until their earliest retirement date. An Associate Member must become a Regular Member at his earliest retirement from FedEx Express eligibility date. Associate Members may not vote on Association business except to elect Associate Members [two] for the board of directors.

3.4. **Affiliate Member.** FedEx Express Flight Department and FedEx Corporate Flight personnel are invited to become an Affiliate Member and attend all functions of the Association. They are otherwise provided no services and will pay dues onetime for membership in accordance with the dues schedule.

3.5. **Honorary Member.** Honorary Membership shall be automatically extended to surviving spouses/companions of Regular and Associate members. Honorary Membership may be extended to any person so nominated. Honorary Members are not required to pay dues or assessments and are not authorized to vote on Association business. Honorary Membership nominations may be made utilizing the following procedure:

A. Names must be submitted in writing to the Secretary of the Association by a sponsoring Regular Member along with a short resume' indicating why the candidate for membership should be considered.

B. If approved by a majority vote of the Board, each candidate's name will be announced in person, on the website or via Email to the membership by the Secretary and put forward for a vote at the next scheduled monthly luncheon.

C. Any category of member may speak for or against the nominee prior to a secret ballot.

D. A secret ballot will then be issued to each attending Regular Member wishing to vote or holding a valid proxy to vote. A two-thirds (2/3) majority of those voting is required for approval. The votes will be tallied by the Secretary and two Regular Member volunteers.

3.6 **Dues:** The Board of Directors will review and approve the dues schedule every October and publish the dues schedule on the website in early November. If the Board fails to approve a dues schedule the previous year's schedule will remain in effect for the next year. The website publication of the dues schedule is considered an addendum to these by-laws.

A. Regular Member dues shall be due and payable each January 1<sup>st</sup> and will be considered delinquent after the end of February with an associated penalty assessed as determined by the Board and published on the website, unless a member has paid for a lifetime membership.

B. Regular Members joining during the calendar year will be assessed dues for a full year.

C. Associate Members are required to pay membership dues in accordance with the published website dues schedule. Should an Associate Member's employment with FedEx Express or FedEx Corporate Aviation be terminated either voluntarily or involuntarily for reasons other than retirement, their membership in the Gray Falcons shall also be terminated unless a majority of the Board of Directors votes to allow the member to retain his membership.

D. Honorary Members are not required to pay dues, but will be required to pay reunion and other activity fees.

3.7. The responsibilities and procedures for collection, management and dispersal of dues and other assets of the Association are detailed in Article VIII of these By-Laws.

#### **ARTICLE IV** **ASSOCIATION MEETINGS**

4.1. The Association shall hold a bi-annual Convention. The details and procedures associated with this Convention are detailed in Article VII of these By-Laws.

4.2. There is no requirement for regular meetings of the general membership. However, these By-Laws anticipate monthly luncheons for the membership, which may be followed by a meeting of the Board of Directors. This does not preclude the proper conduct of business at such luncheons, provided any votes taken are conducted in accordance with these By-Laws (primarily notice and proxy voting). Although monthly meetings of the Board are anticipated, it is a requirement that the January, April, July and October pilot luncheons shall be followed by a meeting of the Board of Directors. At the first meeting of a newly-elected Board of Directors, the new Board will confirm the regular meeting dates and any additional meeting dates for the next twelve (12) months, and those dates will be published in the minutes. Prior to the second year of a Board's tenure, the Board will announce meeting dates for the remaining twelve (12) months of that tenure. All regular meetings of the Board of Directors will be announced in official minutes and on the Association's web page. All members are welcome to attend any meeting of the Board of Directors.

4.3. Special Meetings of the general membership may be called by either a majority of the Board of Directors, or by request of a majority of the Regular and Associate Members of the Association, either in person, via the web site, by e-mail or by telephone, to the Secretary of the Board. Special Meetings of the Board of Directors must be called in accordance with section 5.9 of these By-Laws.

4.4. At any meeting of the Association, each Regular and Associate Member is entitled to vote by proxy. To be recognized, proxies must be in writing, held by a Regular or Associate Member in attendance, and must be filed with the Association Secretary no later than the time specified for the meeting.

4.5. At any meeting of the Board of Directors, a quorum consists of a majority of the Directors. At any meeting of the general membership, a quorum consists of a majority of the Regular and Associate Members. Proxies count toward these majorities, and a positive vote consists of a majority of the quorum.

4.6. Any meeting of the Board may be cancelled or rescheduled by a two thirds (2/3) majority vote of the Board, or by the senior Officer present at a meeting lacking a quorum.

#### **ARTICLE V** **BOARD OF DIRECTORS**

5.1. The business of the Association is conducted by a Board of Directors consisting of no less than nine (9) total members. There shall be no less than seven (7) Regular Members

and no less than two (2) Associate Members. When elected by the membership-at-large, Regular Members will elect Regular Member positions on the Board of Directors while Associate Members will elect Associate Member positions. Elections will be held bi-annually. Regular Members must always maintain at least a two thirds (2/3) majority on the Board. The elected Directors may appoint Regular or Associate Members as ex-officio members of the Board. Ex-Officio Board Members are advisory and may not vote on Board business, but may otherwise exercise their voting privileges on Association business. The initial Board of Directors list is attached to these By-Laws. A Change in Board member(s) does not require an amendment to these By-Laws.

5.2. Nominations for the Board shall be made at the Association's Bi-annual Convention by those Regular and Associate Members attending and by valid proxy of those Regular and Associate Members unable to attend. There may be two brief seconding speeches for each nominee. After ascertaining the willingness of those nominated to serve, the Secretary will issue a ballot by e-mail to all Regular and Associate Members. The Board may also use the web site or regular mail to issue ballots. The ballot will indicate any incumbent members of the Board. The top seven (7) Regular Member vote receivers and top two (2) Associate Member vote receivers will become the Board of Directors for the next twenty four (24) month period after their installation. This procedure does not preclude election by acclimation of the Convention of any or all current Directors.

5.3. Each Director shall serve for twenty four (24) months, generally from the time of his/her election and installation until his/her re-election or election and installation of his/her successor (except in the event of removal, resignation or replacement as provided here-in); provided, however, that the first Board of Directors elected after the adoption of these bylaws shall serve until the 2013 Bi-annual Convention election processes are completed and a new Board of Directors installed. In the event the Directors are not elected in accordance with Section 5.2 in any particular year, the nomination of Directors shall be held at a Special Meeting of the Regular and Associate Members called for that purpose as soon as is reasonable after the Bi-annual Convention, and elections then conducted according to the provisions of Section 5.2.

5.4. Procedure for election/appointment of the initial Board of Directors: The Association's initial Board of Directors shall be elected/appointed by a majority of the attendees at a monthly retired pilots' luncheon preceding the incorporation of the Association. It is anticipated that this Board will be composed of the steering committee members forming the Association. That Board will, with a majority decision, appoint other Directors (as necessary) to maintain a functional Board. That Board shall then serve until such time as a regular election is held in accordance with these By-Laws. Such election should be held, if possible, no later than twenty four (24) months after incorporation. After the first Board of Directors is elected by the membership in accordance with these By-Laws, this note may be removed by a majority vote of the Board, without the requirement of a formal amendment process.

5.5. A vacancy occurring on the Board of Directors during the regular term of a Director shall be filled by a majority vote of the Board for the unexpired term of that vacant Director position.

5.6. A Director may resign at any time by delivering written notice of his/her resignation to the President or Secretary of the association, or if neither can be located, to the Registered Agent defined in Section 6.14. The resignation shall be effective upon receipt by the President, Secretary or Registered Agent.

5.7. Any Director of the Association may be removed by a two-thirds (2/3) majority vote of either the Board, or the Regular Members of the Association present at a special meeting of the Association called for that purpose. Removal is justified when, in the judgment of either the Board or Regular Members, the best interest of the Association will be served by such removal.

5.8. The power to conduct the general management and supervision of the affairs and assets of the Association shall be vested in the Board of Directors. The Board of Directors shall have all the power and authority with which such a Board may be vested under the applicable laws of the State of Tennessee.

5.9. Regular meetings of the Board of Directors, held for the purposes of the election of its officers and/or the transaction of any other Association business, shall be held no less than quarterly, and, if possible, immediately following the close of a monthly luncheon, in order to facilitate the attendance of interested Members. Any Member is welcome to attend Board meetings

5.10. Special meetings of the Board of Directors shall be called by the President or by the Secretary upon the written request of three (3) Directors and shall have a specific agenda. Business other than agenda items shall not be conducted, except for administrative items.

5.11. No official notice to Directors of a regular meeting of the Board of Directors shall be required. Notice of a special meeting of the Board of Directors must be given to Directors in writing, in person or by telephone, must include an agenda and must be given at least twenty-four (24) hours prior to the time set for the meeting. The Board of Directors may meet at any time and place, without notice to the membership, by unanimous consent. However, the results of such meeting shall be communicated to the membership as soon as practical.

5.12. A majority of the Board of Directors shall constitute a quorum and a majority of the Directors in attendance at a meeting where a quorum is present shall decide its action, except in circumstances described in these By-Laws.

5.13. Any action taken or to be taken at a meeting of the Directors, or of a committee, may be taken without a meeting if there is consent in writing, setting forth the action so taken or to be taken. Such consent shall be signed by all of the Directors, or all of the members of the committee, as is appropriate. Such consent shall have the same effect as a unanimous vote, and shall be inserted in the official minutes as if it were the minutes of an actual meeting of the Board of Directors or committee.

5.14. A Director of the Association who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken, unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall



file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent following the meeting shall not apply to a Director who voted in favor of such action.

5.15. Neither the Board of Directors, nor the Association, shall proffer any official endorsement or direct support of a business, political or religious nature. This does not preclude support, financial or otherwise, of any registered charity if approved by either a majority of the Board or a majority of the Association's voting membership.

## **ARTICLE VI** **OFFICERS**

6.1. The officers of the Association shall be President, Vice President, Secretary, Treasurer and any others as determined by the Board of Directors. All officers, except the Secretary in some instances, shall be elected by majority vote of the Board of Directors from among the duly elected Directors. A majority of the Board may elect to appoint/hire a Secretary from other than the elected Board members. In such case, the Secretary would not be a voting Board member, but could vote as a Regular or Associate Member if so qualified. No two offices may be held by the same person, although an Officer or Director may also serve on a duly appointed committee in any capacity.

6.2. The Board of Directors shall elect the officers of the Association at its first meeting after the election of that Board, but if not so elected, Officers may be elected at any other meeting of the Board of Directors.

6.3. Officers elected pursuant to Section 6.2 shall hold office for twenty four (24) months or until such time as their successors are elected and installed.

6.4. **President.** The President shall be the chief executive officer of the Association and shall have general control and management of the business and affairs of the Association subject to the approval and direction of the Board of Directors. The Board has the right to delegate any specific power or duty to any other officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors, and he/she is empowered to sign all required legal documents for the Association, including notes, bonds, deeds of trust, mortgages, deeds, leases and contracts authorized by the Board of Directors.

6.5. **Vice President.** The Vice President shall be vested with the rights, and shall perform all the duties of the President in his/her absence, or if the President is otherwise unable to perform his/her duties. The Vice President shall have such other powers and duties as assigned by the President or Board of Directors.

6.6. **Secretary.** The Secretary shall keep a record (minutes) of all meetings of the Association and of the Board of Directors, shall give such notices as may be required for all regular and special meetings of the Association and of the Board of Directors, shall be custodian of the records of the Association, and may sign all required legal documents when authorized by the Board. The Secretary shall maintain a current roster of members and their contact

information and will disseminate same at regular intervals, as directed by the Board. The Secretary shall also perform such other duties as may be assigned by the President of the Board of Directors. The Secretary may be appointed by the Board and does not have to be an elected Director. In such case, the Secretary would not be a voting Board member, but could vote as a Regular or Associate Member if so qualified.

6.7. **Treasurer.** The Treasurer shall cause to be kept accurate and detailed accounts of the financial affairs of the Association and shall cause to be deposited moneys and valuables of the Association in its name in such depositories as designated by the Board of Directors. The Treasurer shall be responsible for disbursement of Association funds at the direction of the Board of Directors, and such actual disbursement may be delegated to the Secretary. The Treasurer shall render to the Board of Directors at Board Meetings, or the Membership at Association meetings, or whenever else requested by any voting member, an account of the financial transactions and the financial condition of the Association. If required by the Board of Directors and at Association expense, the Treasurer shall furnish the Association a corporate fidelity bond for the faithful discharge of duties in such amount and with such surety as the Board of Directors shall prescribe. The Treasurer shall also perform such other duties as may be assigned by the President or the Board.

6.8. Vacancies in any officer position arising from any cause may be filled by majority vote of the Board of Directors at any meeting of the Directors. An Officer so elected shall serve for the remainder of the unexpired term of his/her predecessor.

6.9. The Board of Directors may appoint such other officers and agents as it shall deem necessary or expedient. Such appointees shall hold their offices for such term, and shall exercise such powers and perform such duties, as shall be determined from time to time by the Board.

6.10. Officers of the Association, except for the Secretary, shall not receive compensation for services to the Association. The Board shall determine the compensation for the Secretary, if applicable.

6.11. Any officer, employee or agent of the Association, including both elected and ex-officio Directors, may be removed by a majority vote of the Board, whenever in the judgment of the Board the best interest of the Association will be served by such removal.

6.12. The Board may require some or all of the Directors, Officers, employees, and/or agents of the Association to furnish adequate fidelity bonds in such amount and with such surety as the Board of Directors shall prescribe. The premiums on such bonds shall be paid by the Association.

6.13. The Board may establish and appoint both Standing Committees and Temporary Committees as necessary to accomplish the goals and needs of the Association, as suggested by the membership and determined by the Board. It is anticipated the Board would appoint a particular Committee Chairman and such Chairman would appoint his/her committee members, subject to Board approval. This does not preclude the Board appointing an entire committee, in whole or in part.

6.14. A Registered Agent, required by a Tennessee Nonprofit Corporation, shall be selected, and may be replaced, by the Board of Directors.

## **ARTICLE VII** **CONVENTIONS AND SOCIAL EVENTS**

7.1. The Association shall hold monthly luncheons in the Memphis, TN area for all members. In addition to Memphis, TN area luncheons, luncheons may be held in other locations according to the wishes of the membership and with notification to the Board of Directors. If Association business is conducted at a luncheon, it shall be in accordance with these By-Laws.

7.2. The Association shall hold a bi-annual Convention, generally in October, but not restricted as to specific date:

A. No later than February 1st in the year of a Convention, the Board of Directors shall have appointed a Convention Committee and caused a survey of the entire membership to be conducted at monthly luncheons, by e-mail, via the web site or by regular mail. Such survey shall request suggestions on at least the following items: location, dates, activities and programs, and general intent to attend.

B. After consideration of all suggestions and based upon initial interest, the Board and the Convention Committee shall research possible options suggested by the membership. The Convention shall be planned and initial details announced to the membership no later than five (5) months prior to the established date.

C. The Board and/or Convention Committee shall request RSVPs from the membership as soon as possible, so as to appropriately fine-tune the Convention agenda.

D. All Convention details, instructions, etc. will be announced to the membership no later than two (2) months prior to the established date.

7.3. The Association, or any segment of the membership, may conduct other social activities. Such activities must be submitted to the Board of Directors for approval.

## **ARTICLE VIII** **FUNDS AND PROPERTY**

8.1. The Association will collect dues from all Regular Members per the schedule published by the Board of Directors each November except for those members who have paid the one-time lifetime membership fee. Dues amounts will be reviewed and approved each October and may be reset by a two-thirds (2/3) vote of the Board of Directors, provided sufficient notice and explanation is provided to the voting members at least thirty (30) days prior to the effective date. Publication on the Association website Dues Schedule fulfills this requirement.

8.2. As soon as practical between November 15<sup>th</sup> and December 31<sup>st</sup> each year, the Secretary shall send notice of dues to all Regular and Associate Members of record via e-mail,

the web site or regular mail, along with instructions as to how members may submit payment. Dues payable, or paid, after February 15<sup>th</sup> each year are considered delinquent and are subject to a \$6.00 penalty assessment.

8.3. The Association may, at various times, acquire certain other physical assets on behalf of the members. Such property acquisition requires a two-thirds (2/3) majority vote of the Board, and must be reported to the membership as soon as practical in an expeditious manner. The Secretary shall maintain an inventory of all such Association physical assets.

8.4. It shall be the Treasurer's responsibility to have maintained and monitored Association monetary assets in an insured account and by proper inventory procedures. The location and terms of said account shall be determined by a majority vote of the Board of Directors of the Association, and may be changed from time to time by the Board. The Treasurer shall issue a report on the status of the Association assets to all members of record, no less than semi-annually, via e-mail, the web site or regular mail, or directly to the Board when so requested. These actions may be delegated to the Secretary.

8.5. Authorization to use the monies or other assets of the Association requires approval of a two-thirds (2/3) majority of the Board. In addition to specific requests for approval, the Treasurer may request blanket authority and approval of certain expenditures to affect the efficient and expeditious financial operation of the Association. The Treasurer may delegate these expenditures to the Secretary.

8.6. All financial business of the association shall be conducted by bank check, unless specifically allowed by a two-thirds (2/3) majority vote of the Board. The President, Vice President, Treasurer and Secretary shall be authorized to sign checks, purchase orders, etc. Individual expenditures by the Secretary over \$200.00, but less than \$500.00, shall require the written approval of either the President or the Treasurer. Individual expenditures over \$500.00 shall require the written approval of both the President and Treasurer and the additional signature of either, unless specifically authorized for single signature by a two-thirds (2/3) majority vote of the Board.

8.7. The membership or Board of Directors may wish, from time-to-time, to make donations to worthwhile charities or organizations. Such donations require notification to, and a majority approval of, the voting members. Donations may also be made by the Board of Directors, provided there is ample notification of the members, and there is approval by a two-thirds (2/3) majority of the Board.

8.8. In the event of dissolution of the Association, all assets of the Association will be distributed to appropriate charities or organizations, based upon a two-thirds (2/3) majority vote of the Board.

**ARTICLE IX**  
**INDEMNIFICATION OF DIRECTORS, EMPLOYEES AND AGENTS**

9.1. The Association shall indemnify any person made a part of any proceeding, by reason of the fact that he/she is or was a Director, against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with such proceeding if:

A. He/she conducted himself or herself in good faith, and:

(i) In the case of conduct in his/her own official capacity with the Association, he/she reasonably believed his/her conduct to be in the Association's best interests, or

(ii) In all other cases, he/she reasonably believed his/her conduct to be at least not opposed to the Association's best interests; and

(iii) In the case of any criminal proceeding, he/she had no reasonable cause to believe his/her conduct was unlawful.

NOTE: The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself be determinative that the person did not meet the requisite standard of conduct set forth in this section.

9.2. The Association shall indemnify any person made a part to any proceeding, by or in the right of the Association, by reason of the fact that he/she is or was a Director, against reasonable expenses actually incurred in connection with such proceeding, if he/she conducted himself in good faith, and:

A. In the case of conduct in his/her official capacity with the Association, he/she reasonably believed his/her conduct to be in its best interest; or

B. In all other cases, he/she reasonably believed his/her conduct to be at least not opposed to its best interests; provided that no indemnification shall be made pursuant to this section in respect to any proceeding in which such person shall have been adjudged to be liable to the Association.

9.3. The Association shall further indemnify, including advance of expenses, to any Director made a part to any proceeding, by reason of the fact he/she is or was a Director, against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with such proceeding; provided, that no such indemnity shall indemnify any Director from or on account of acts or omissions of such Director finally adjudged to be intentional misconduct or a knowing violation of law, or from or on account of conduct of such Director finally adjudged to be in violation of T.C.A. §48-58-502(d), or from or on account of any transaction with respect to which it was finally adjudged that such Director personally received a benefit in money, property, or services to which the Director was not legally entitled. Any determination as to any further indemnity shall be made in accordance with Section 9.5 of this Article. Each such

indemnity shall continue as to a person who has ceased to be a Director and may inure to the benefit of the heirs, executors, and administrators of such a person.

9.4. Unless otherwise limited by these Articles, a Director who has been wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in section 9.1, 9.2 or 9.3 of this Article shall be indemnified against reasonable expenses incurred by him in connection with the proceeding.

9.5. No indemnification under section 9.1, 9.2 or 9.3 of this Article shall be made by the Association unless authorized in the specific case, until after a determination that indemnification of the Director is permissible in the circumstances because the Director has met the standard of conduct set forth in the applicable section. Such determination shall be made:

A. By the Board of Directors by a majority vote of a quorum consisting of Directors not at the time parties to such proceedings; or,

B. If such a quorum cannot be obtained, then by a majority vote of a committee of the Board, duly designated to act in the matter by a majority vote of the full Board (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to such proceedings; or,

C. In a written opinion by legal counsel, other than an attorney or a firm having associated with it an attorney who has been retained by or who has performed services within the past three years for the Association; or,

D. By a majority vote of Regular Members present at a special meeting called for that purpose.

9.6. Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in a manner specified in Section 9.5(C) for the selection of such counsel.

9.7. Reasonable expenses incurred by a Director who is a part to a proceeding may be paid or reimbursed by the Association in advance of the final disposition of such proceeding:

A. Upon receipt by the Association of a written statement by the Director of his/her good faith belief that he/she has met the standard of conduct necessary for indemnification by the Association as authorized in this Article, and,

B. Upon receipt by the Association of a written statement by or on behalf of the Director to repay such amount if it shall ultimately be determined that the Director has not met the standard of conduct necessary for indemnification by the Association as authorized by this Article.

9.8. The Association, in addition, shall have the power to indemnify a member who is not a Director, as well as employees and agents of the Association who are not Directors, to such extent, consistent with law, as may be provided by the Articles of the these By-Laws, provided such person is held to the same standards stated in this Article

9.9. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association, or who is or was serving at the request of the Association as an officer, employee or agent of another Association or other enterprise, against any liability asserted again such person as a result of service to the Association, whether or not the Association would have the power to indemnify said person against such liability under the provisions of this Article.

9.10. Any indemnification of a Director in accordance with this Article, including any payment or reimbursement of expenses, shall be reported to the members with the notice of the next members' meeting or prior thereto, in a written report containing a brief description of the proceedings involving the Director being indemnified and the nature of such indemnification.

## **ARTICLE X** **CONFLICT OF INTEREST**

10.1. The purpose of this Article is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation. This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to nonprofit corporations and charitable organizations.

10.2. Definitions.

A. "Interested Person" means any director, principal officer or member of a committee with board delegated powers who has a direct or indirect Financial Interest, as defined below. If a person is an Interested Person with respect to any entity in the health care system of which the Association is a part, he or she is an Interested Person with respect to all entities in the health care system.

B. "Financial Interest" refers to a person who has, directly or indirectly, through business, investment or family --

(i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or

(ii) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or

(iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

C. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Financial Interest is not necessarily a conflict of interest. Under Section 10.5, a person who has a Financial Interest may have a conflict of interest only if the Board of Directors or its designated committee to consider such matters decides that a conflict of interest exists.

10.3. Duty to Disclose. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of his or her Financial Interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

10.4. Determining Whether a Conflict of Interest Exists. After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the meeting of the Board of Directors while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.

10.5. Procedures for Addressing the Conflict of Interest.

A. An Interested Person may make a presentation at the Board of Directors meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

B. The Chairman of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

C. After exercising due diligence, the Board of Directors shall determine whether the Association can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

D. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether the transaction is fair and reasonable to the Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

10.6. Violations of the Conflicts of Interest Policy.

A. If any director or committee member has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.



B. If, after hearing the response of such Interested Person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

C. Records of Proceedings. The minutes of the Board of Directors shall contain the following: the names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest in fact existed.

D. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

#### 10.7. Compensation Committees.

A. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

C. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

10.8. Annual Statements. Each director, principal officer and member of a committee with Board delegated powers shall sign annually a statement which affirms that such person:

A. Has received a copy of the conflicts of interest policy,

B. Has read and understands the policy,

C. Has agreed to comply with the policy, and

D. Understands that the Association is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

10.9. Periodic Reviews. To ensure that the Association operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its tax-

exempt status, periodic reviews shall be conducted at the direction of the Board of Directors. The periodic reviews shall, at a minimum, include the following subjects:

A. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

B. Whether partnerships, joint ventures and arrangements with management service organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

10.10. Use of Outside Experts. When conducting the periodic reviews provided for in Section 10, the Association may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

## **ARTICLE XI** **AMENDMENT OF BY-LAWS**

11.1. These By-Laws may be amended, altered or repealed, or new By-Laws adopted, by the affirmative vote of a majority of the voting members of the Association under any process, or combination thereof, which allows every voting member due opportunity to vote; or by a two-thirds (2/3) majority of the Board of Directors at any regular or special meeting of the Board, if notice of the proposed alteration or amendment is contained in the notice of the meeting; provided, however, that the Board of Directors shall not amend, alter, repeal or adopt any By-Law in such a manner as to affect the qualifications, classifications, term of office or compensation of the Directors in any way. Correction of clerical errors, changes required by law or code and any other minor changes, not affecting the intentions set forth here-in, may be made by simple majority vote of the Board.

## **ARTICLE XII** **MISCELLANEOUS**

12.1. The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern to the extent reasonable and practical all meetings of Directors where those rules are not inconsistent with statute, the Charter of the Association, these By-Laws or special rules of order of the Association.

12.2. The Board of Directors shall cause to be kept complete records of all the proceedings of the Board and the Association and shall keep a register of all Association members.

12.3. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors when such records are certified by the President or Secretary.

12.4. The Board of Directors shall keep appropriate and complete financial records of the Association.

12.5. The Association may at its option have a corporate seal. If a corporate seal exists, it shall indicate that the Association is a non-profit Tennessee Association, established in 2012.

12.6. The Association may at its option have an official logo. If such logo exists, it shall include the official name of the Association. Approval for use of such logo must be approved by a two thirds (2/3) majority vote of the Board.

12.7. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution approved by a two thirds (2/3) majority vote of the Board of Directors. Such authority may be general or confined to specific instances. No loans shall be made to members, Directors or Officers of the Association, or to any other persons or entities.

12.8. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Treasurer may elect.

12.9. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed in accordance with these By-Laws, or by such officers or agents of the Association and in such manner as shall be determined from time to time by a two thirds (2/3) majority vote of the Board of Directors.

12.10. The Association's fiscal year shall end on the date designated by the Board of Directors, currently January 1<sup>st</sup> through December 31<sup>st</sup>.

**CERTIFICATE OF ADOPTION**

The foregoing Articles were duly adopted as the By-Laws of the Gray Falcons Pilots Association by the Board of Directors on the 5<sup>th</sup> day of April, 2013.

\_On File \_\_\_\_\_

Captain R. Donald Wilson, President

\_On File \_\_\_\_\_

Captain David A. Hallin, Treasurer

\_\_\_\_\_  
\_On File \_\_\_\_\_

\_\_\_\_\_, Witness

\_\_\_\_\_  
\_On File \_\_\_\_\_

\_\_\_\_\_, Witness

**Board of Directors**  
2012, 2013

1. Don Wilson, President

Nancy Shellenberger, Secretary

2. Lou Turner, Vice President

3. David Hallin, Treasurer

4. Robert DuFresne

5. Curt Ellsworth

6. Don Grant

7. Bill Kabel

8. Steve Mullahey

9. Bert Simms