

**Falco Aircraft Association, Inc
("FAA, Inc")**

Strategic Plan

Executive Summary

This document is intended to provide a framework for a new and re-imagined Falco Aircraft Association. The document is intended for potential members to read, understand and make comments.

The plan is to formalize the formation of the Falco Aircraft Association ("Faa") into a not-for-profit legal entity (501 c(3)), with officers, members and a clear mission. In the past, the Faa has been a loose group of friends, that generally communicated via a forum, as well as having a website that housed a huge amount of relevant historical, technical and other information.

The plan is to formalize the group into a true association, with that same group of friends and more, but with the intention of developing formal relationships with industry organizations, having more ways for the members to talk to each other, receive advice, give advice, be aware of issues etc.

We would greatly appreciate your support in helping us achieve this endeavor, and we definitely welcome comments, suggestions, or ideas!

Background

Alfred Scott originally conceived of the amateur built Falco back in the 80s under the Sequoia Aircraft brand. Sequoia Aircraft shutdown operations in December 2014. At that time, the inventory, jigs, fixtures, tools and stamps etc to make Falco parts was transferred to Gunder Restoration & Design. Craig Gunder and his wife Martha do an excellent job of continuing to supply quality parts to the Falco community.

It was the intention of Alfred, when he communicated the closing of Sequoia Aircraft in 2014 that " the F.8L Falco live forever".

With that intention, we plan to formally establish a "Falco Aircraft Association".

Mission

It shall be the mission of the Falco Aircraft Association to foster a support network for builders and owners / pilots of the Falco aircraft.

If we are builders, we want to build an aircraft that will be safe to fly, be durable and able to be maintained easily. If we are owners or pilots, we want to make sure our aircraft are maintained in accordance with sound maintenance practices, we also want to be able to fly the aircraft safely, be able to procure insurance at competitive rates, and have fun with our planes.

Therefore, the key missions for the FAA, Inc will be:

- To spread the information / knowledge / tools / techniques on building and maintaining the Falco aircraft;
- To promote the teaching, and maintenance of the skills to fly the aircraft in many different mission profiles: cross-country, local flights, IFR, aerobatics and formation

Goals & Objectives: What we plan to do

In general, **our goals** for the FAA, Inc will be to:

- Promote the education of those interested in the Falco by amassing tips, links, and hints from other builders;
- Promote building and flying safety using existing resources of members, the FAA, the EAA and other established and credible entities;
- Promote transition and type training;
- Promote already established regional groups, organizations, and associations and their events;
- Promote and host seminars, workshops, and related activities
- Connect those interested in building/flying a Falco with local builders/owners;
- Encourage and grow the Falco community;
- Establish relationships with other industry organizations, eg EAA

Therefore, **our objective** is to establish the following:

Website

We are in the process of obtaining the information that was previously loaded on the Falco Aircraft Association website. We will secure a domain name, such as falcoaircraft.org or flyfalco.org, (or something similar), and gradually move the information into the new website.

The new website will contain the software technology for new members to sign-up, pay membership dues etc.

There will be a public and non-public section of the website. The public section will contain all the Falco information that is in the public domain, all contained in one area, or with links to the other sites that house the information. The non-public section (accessible by active members

only with password), will contain any information / intellectual property created by the FAA, Inc. This will include documents such as flight training guides, transition training, etc.

Quarterly Newsletter

We plan a modest quarterly newsletter, issued via email to members.

Our plan is for the newsletter to capture significant happenings during the prior 3 months, or happenings in the next 6 months, that should be captured on calendar.

Examples of coverage may include:

- Maintenance tips & techniques
- ADs, SBs etc issued by OEMs that may effect the Falco
- Flight tips / techniques
- First flights
- Events & happenings

Annual North American Falco Fly-In

Previously the West Coast Falco Fly-In, and since 2016 the North American Falco Fly-In, we plan to provide oversight and sponsorship for the Annual North American Falco Fly-in.

In the past the fly-in has been held from Thursday afternoon to Sunday morning, generally during May / June, and locations in the west of the USA (2016: Santa Fe, NM, 2017: Fredericksburg, TX, 2018: Missoula, MT (in collaboration with the AOPA Fly-In).

We don't plan any major changes to the format of the fly-in, other than:

1. To make sure the fly-in is hosted in a variety of locations that reflect the spread of domiciles of the members (the 2019 fly-in is planned to be held in Nashville, TN, which is the first time the fly-in will be held east of the Mississippi)
2. To hold an informative seminar on the Saturday morning of the fly-in, focussed on maintenance, flight training etc

Annual Oshkosh Gathering

Over the last few years, we have held an informal gathering of Falco owner/builders at a local Oshkosh pub / brewery restaurant. This has been a great informal gathering of builders / owners / pilots. We can continue this informal gathering. EAA has suggested that we could consider a cook-out as an alternative. While this would require some organization, it is not out of the question as an alternative to the restaurant gathering.

With the formalization of the FAA, Inc, we plan two more EAA Airventure events, to be organized in conjunction with the EAA:

1. Annual General Meeting - this would be an administrative meeting of the members - to go over business items like finances, membership, annual nomination / voting of officers, and other general business, like plans for the forthcoming year etc.
2. Attendance at the EAA Annual Type Coalition Meeting, by a couple of representatives of the FAA, Inc
3. [Hold Seminar in Forum tents- open to public???

Meetings

We will plan to have quarterly / [semi-annual] meetings, telephonically or through the use of technology, such as Skype. At least one of the meetings will be held in conjunction with EAA Airventure, so that it can be a face-to-face meeting of members. This will be the “annual” meeting of members, where we will vote on the leadership positions in the association.

Falco Training

There is currently no formalized training program for flight training in the Falco. Depending on the pilot, this may or may not have been contributors to the accidents or incidents involving Falco aircraft over the last several years.

Several type clubs have successfully developed transition / recurrent training programs for their members, together with maintaining lists of instructors that are competent to instruct on the training. Examples include: the American Bonanza Society (“ABS”) has the Beechcraft Pilot Proficiency Program (BPPP); Lancair Owner Builders Organization (“LOBO”) who has training material on their website and uses a network of independent flight training professionals who are qualified to conduct Lancair-specific initial and recurrent training, in the models indicated, using LOBO's FITS-approved training materials.

We propose a program similar, and have has initial discussions with an insurance underwriter who currently insures Falcos. The insurance underwriter will work with us to develop the program, and has committed to provide: a) 5% premium discount for annual training; and b) 10% premium discount for every 6 months training.

Flight training will be the start. The insurance company has suggested further that we can develop inspection and maintenance guidelines to ensure the insurability of aircraft prior to the first flight and on an on-going basis.

Leadership

We plan to have the following positions in the FAA, Inc.:

President
[Vice President]
Secretary / Treasurer
Training Officer
[Maintenance Officer]
Communications / Webmaster

Each of these positions would be voluntary, and nominations / elections for the positions would be done at the annual Oshkosh Airventure meeting. In order to get the FAA, Inc. going as soon as possible, we will nominate individuals immediately to the positions, who will be “acting” in the capacity, until the Oshkosh Airventure 2019 meeting. At that point, we will take additional nominations / seconds, and have a vote. If there are no additional nominations, the incumbent “actor” will be ratified into the position until the 2020 meeting.

The President, Vice President and Secretary/Treasurer will comprise the Board of Directors (for legal purposes).

Strategic Partnerships

An advantage of a formal “type” club is the ability to formalize relationships with and be the representative voice of members with key industry organizations, for example: EAA / FAA / NTSB / Insurance companies.

During EAA’s Airventure Convention, we would be represented at the Type Club Coalition meeting, which is a an annual gathering of representative type clubs. The Type Club Coalition is the authority behind the “Type Transition Guide”, and we would intend to adopt pertinent sections of the guide in order to develop an annual / semi annual Falco training program.

In addition, we plan to develop relationships with selected distributors and OEMs for type club discounts available to members for purchase of certain parts.

Financial Considerations

We are planning two classes of membership - a voting member, who will pay a modest annual membership fee, and a associate member, who will not have voting rights, and will not pay a membership fee. Our thinking is that persons who own or fly a Falco would become voting members (and therein get access to for example transition training), and builders would become associate members.

Therefore, our primary source of funding will be through annual membership dues. We are planning a membership fee in the range of \$25 - \$50 per year. As a non-profit, we can also

receive tax deductible donations from corporations or entities, and can supplement the annual membership dues by selling items in an online store on the club's website.

Annual costs will be things like:

- website domain name fees etc estimate \$100 - \$200;
- directors & officers insurance estimate [TBD]
- [any others???
- Any costs to establish a non-profit (should be minimal like filing fees etc)

Organizational / Legal

Our intention is to develop an organization that can legally protect from liability its board members and those who volunteer. By forming a registered not for profit corporation, we can take advantage of tax deductible donations and can supplement the annual membership dues by selling items in an online store on the club's website, for example.

We plan to form a [insert state] Corporation using organizational documents based on those available from the EAA. Following incorporation, we plan to submit a federal 501(c)(3) tax exemption application to the IRS and a similar application to the text authorities for State of [insert state].

At the first meeting of the board of directors, the directors will take care of formalities such as adopting the bylaws, electing officers, and recording the receipt of federal and state tax exemptions. After the meeting is completed, minutes of the meeting will be created and filed in the nonprofit's records binder.

Keys to Success

An active vibrant association, with great membership participation will be critical to the success of the new FAA, Inc. If we get engagement, members willing to sign up and pay a small but meaningful annual membership fee, and are engaged with activities, eg recurrent training, that will be key to our success.

Falco Aircraft Association, Inc.
Sample
BY LAWS

ARTICLE I

OFFICES

SECTION 1. The Corporation shall continuously maintain in the State of [TBD] a registered office and a registered agent whose office is identical with such registered office. The Corporation may have other offices within or without the State.

ARTICLE II

MEMBERS

SECTION 2.1. CLASSES AND QUALIFICATIONS. The qualifications, dues, terms, and other conditions of each class of member shall be determined from time to time by resolution of the Board of Directors.

There shall be the following classes of members:

Voting Members: Voting Members shall consist of those persons who shall pay annual membership dues in such amounts as may be determined by the Board of Directors from time to time and who meet any additional requirements for voting membership as may be imposed by the Board of Directors from time to time.

Associate Members: Associate Members shall consist of those individuals who shall register with the corporation in writing or by electronic means and who meet the requirements for associate membership but who do not meet the requirements for voting membership.

SECTION 2.2. VOTING RIGHTS. Only Voting Members in good standing, as such term shall be defined from time to time by resolution of the Board of Directors, shall have the right to vote at the annual meeting of the members on those items specified in Section 2.3(a) below. Associate Members may attend meetings but may not vote.

SECTION 2.3. MEMBERSHIP MEETINGS.

There shall be an annual meeting of the members upon such date, time and place as the Board of Directors shall determine. In the absence of such designation, the annual meeting of the members shall be held on the first Saturday in the month of incorporation of the Corporation. During the annual meeting, Voting Members shall have the right to vote on the following matters: (i) election of the Board of Directors, and (ii) such other business as may come before the meeting. Special meetings of the members may be called by the Board of Directors or upon the

request of twenty-five percent (25%) of the Voting Members. Members shall receive not less than twenty (20) nor more than sixty (60) days' prior written notice of special meetings. Notice shall be given in the manner specified in Section 10 of Article X of these bylaws, and the notice shall state the purposes of the special meeting.

SECTION 2.4. QUORUM AND VOTING. Each Voting Member in good standing shall have one vote at any meeting of the members. A quorum shall consist of ten percent (10%) of the total Voting Members present either in person or by proxy. The affirmative vote of a majority of the votes cast at a meeting at which a quorum is present shall constitute the action of the members.

SECTION 2.5. ACTION WITHOUT A MEETING. Any corporate action required or permitted to be voted upon or approved at a duly called meeting of the Voting Members may be accomplished without a meeting if one or more consents of the Voting Members representing a majority of the votes entitled to vote on the subject setting forth the actions so taken are received by the corporation. Such consents may be executed in counterpart. "Execute" means (a) signed with respect to a written record, or (b) electronically transmitted along with sufficient information to determine the sender's identity with respect to an electronic transmission. Action taken by unanimous consent of the Voting Members is effective when all consents have been delivered to the corporation, unless the consent specifies a later effective date. Action taken by non unanimous consent of the Voting Members is effective when consents sufficient to authorize taking the action have been delivered to the corporation, and the period of advance notice required by law or by the corporation's Articles of Incorporation or Bylaws to be given to any nonconsenting Voting Members has been satisfied, unless the consent specifies a later effective date.

SECTION 2.6. PARTICIPATION BY MEANS OF COMMUNICATION EQUIPMENT. Voting Members may participate in or conduct their meetings by any means of communication by which all persons participating in the meeting can hear each other at the same time during the meeting. Participation in a meeting by such means shall constitute presence in person at such meeting.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1. GENERAL POWERS. The affairs of the Corporation shall be managed by its Board of Directors.

SECTION 3.2. NUMBER. The initial directors shall be the three persons named in the Articles of Incorporation. At the first meeting of the Voting Members, the Voting Members shall elect a regular Board of Directors, numbering not less than three nor more than seven, the exact number to be fixed and determined from time to time by the affirmative vote of a majority of the votes cast at a meeting of Voting Members at which a quorum is present.

SECTION 3.3. CLASSIFICATION. The Board of Directors shall be divided into three classes. Each such class shall consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board of Directors. The classes of directors shall be adjusted from time to time in order to maintain such proportionality as determined by the affirmative vote of a majority of the votes cast at a meeting of Voting Members at which a quorum is present.

SECTION 3.4. TENURE. Directors shall be elected to one, two, or three-year terms, such terms which shall be determined by the affirmative vote of a majority of the votes cast at a meeting of Voting Members at which a quorum is present. In the absence of such determination of the Voting Members, directors shall be elected to three-year terms. Each director shall continue in office until a successor shall have been duly elected and qualified. Any director may be removed, with or without cause, at a special meeting of the members called for that purpose.

SECTION 3.5. REGULAR MEETINGS. The Board of Directors shall meet at such time and place as may be designated by the directors at least one time per year, during the month specifically designated in its first meeting, or in the absence of such designation, on the first Saturday in the month of the incorporation of the Corporation, but may meet more frequently as the business of the Corporation demands. The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the board without other notice than such resolution.

SECTION 3.6. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors who notify the President in writing of such a request. The person or persons authorized to call special meetings of the board may fix any reasonable place as the place for holding any special meeting of the board called by them.

SECTION 3.7. NOTICE. Directors shall receive not less than one (1) nor more than fourteen (14) days' prior written notice of special meetings. Notice shall be given in the manner specified in Section 10 of Article X of these bylaws, and the notice shall state the purposes of the special meeting.

SECTION 3.8. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, provided that if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

SECTION 3.9. MANNER OF ACTING. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these bylaws, or the Articles of Incorporation.

SECTION 3.10. PARTICIPATION BY MEANS OF COMMUNICATION EQUIPMENT. Members of the board of directors and members of a committee of directors may participate in or conduct their meetings by any means of communication by which all persons participating in the meeting can hear each other at the same time during the meeting. Participation in a meeting by such means shall constitute presence in person at such meeting.

SECTION 3.11. ACTION WITHOUT A MEETING. Any corporate action required or permitted to be voted upon or approved at a duly called meeting of the directors or committee of directors may be accomplished without a meeting if one or more consents of the respective directors or committee members setting forth the actions so taken, shall be executed by all the directors or committee members entitled to vote thereon.

Such consents may be executed in counterpart. "Execute" means (a) signed with respect to a written record, or (b) electronically transmitted along with sufficient information to determine the sender's identity with respect to an electronic transmission.

Consents may be executed before or after the action is taken. Action taken by unanimous consent of the directors or a committee of the directors is effective when the last director or committee member executes the consent, unless the consent specifies a later effective date.

SECTION 3.12. VACANCIES. Any vacancy occurring in the Board of Directors by resignation or otherwise shall be filled by the affirmative vote of the majority of the Board of Directors for the unexpired term of the preceding director.

SECTION 3.13. COMPENSATION. Directors shall not receive any stated salaries for their services as a board member, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving reasonable compensation therefor, subject to the Corporation's Conflict of Interest Policy.

ARTICLE IV

OFFICERS

SECTION 4.1. OFFICERS. The officers of the Corporation shall be a President, a Vice President, a Treasurer / Secretary, and such other officers as may be elected by the directors. Officers whose authority and duties are not prescribed in these bylaws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

SECTION 4.2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the directors. Each officer shall hold office until his successor shall have been

duly elected and qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not itself create contract rights.

SECTION 4.3. REMOVAL. Any officer elected or appointed by the directors may be removed by the directors with a majority vote of all of the Board of Directors. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4.4. PRESIDENT. The President shall be the principal executive officer of the Corporation and shall be in charge of the business and affairs of the Corporation, subject to the direction and control of the Board of Directors. The President shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these bylaws, the President may execute for the Corporation any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and the President may accomplish such execution individually or with the Secretary or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

SECTION 4.5. TREASURER. The Treasurer shall be the principal accounting and financial officer of the Corporation. The Treasurer shall see to the responsibility of the maintenance of adequate books of account for the Corporation, have charge and custody of all funds and securities of the Corporation, and be responsible therefor, and for the receipt and disbursement thereof, and perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the duties of such office, in such sum and with such surety or sureties as the Board of Directors shall determine.

SECTION 4.6. SECRETARY. The Secretary shall record the minutes of the meetings of the Board of Directors in one or more books provided for that purpose, shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law, shall be custodian of the Corporation records and of the seal of the Corporation, shall keep a register of the residence address of each director which shall be furnished to the Secretary by such director, and shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

ARTICLE V

COMMITTEES

SECTION 5.1. COMMITTEES OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the directors then in office, may designate one or more committees, each of

which shall consist of two or more directors, which committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Directors in the management of the Corporation, but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon the directors by law.

SECTION 5.2. OTHER COMMITTEES. Other committees not having and exercising the authority of the Board of Directors of the Corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Members of such other committees need not be directors of the Corporation but shall be members of the Corporation, and the President of the Corporation shall appoint all members of such committees. Any members thereof may be removed by the person or persons authorized to appoint such members whenever in their judgment the best interests of the Corporation shall be served by such removal.

SECTION 5.3. TERM OF OFFICE. Each member of a committee shall continue as such until the next annual meeting of the directors of the Corporation and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee.

SECTION 5.4. CHAIRPERSON. One member of each committee shall be appointed chairperson by the President of the Corporation.

SECTION 5.5. VACANCIES. Vacancies in any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 5.6. QUORUM. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 5.7. RULES. Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 6.1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

SECTION 6.2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination of the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

SECTION 6.3. DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 6.4. GIFTS. The Board of Directors may accept on behalf of the Corporation any contribution, gifts, bequests, grants, or devises for the general purposes or for any special purpose of the Corporation.

ARTICLE VII

BOOKS AND RECORDS

SECTION 7. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of: (i) its Board of Directors, (ii) committees having any of the authority of the Board of Directors, and (iii) its Voting Members. The Corporation shall keep at the registered or principal office a record giving the names and addresses of its: (i) directors and (ii) Voting Members. The Corporation shall also keep a correct and current Club Membership list. All books and records of the Corporation may be inspected by any director or Voting Member upon reasonable written notice in advance for any proper stated purpose at any reasonable time.

ARTICLE VIII

FISCAL YEAR

SECTION 8. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE IX

AMENDMENTS

SECTION 9. These Bylaws may be amended by the affirmative vote of a majority of the votes cast at a meeting of Voting Members at which a quorum is present.

ARTICLE X

NOTICE

SECTION 10. NOTICE. Whenever under the provisions of these Bylaws notice is required to be given to a director, officer, committee member or Voting Member, such notice shall be given in writing by first-class mail or overnight delivery service with postage prepaid to such person at his or her address as it appears on the records of the Corporation. Such notice shall be deemed to have been given when deposited in the mail or the delivery service.

Notice may also be given by facsimile, electronic mail, or hand delivery. Notice via facsimile or electronic mail shall be deemed given when transmitted to the email address or facsimile number of such person as it appears on the records of the Corporation. Notice via hand delivery shall be deemed given when received.

ARTICLE XI

WAIVER OF NOTICE

SECTION 11. Whenever any notice is required to be given under the provisions of the General Not For Profit Corporation Act of [TBD State] or under the provisions of the Articles of Incorporation or the bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 12. Indemnification. (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director and/or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses for which such person has not otherwise been reimbursed (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner which was reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that the conduct in question was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which was reasonably believed to be in or not opposed to the best interest of the

Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct in question was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses for which such person has not otherwise been reimbursed (including attorneys' fees and amounts paid in settlement) actually and reasonably incurred by such person in connection with the defense or settlement of such suit or action if such person acted in good faith and in a manner which was reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the court shall deem proper.

(c) To the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraphs 1(a) or (b) of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees), actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under Paragraphs 1(a) or (b) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in such Paragraphs 1(a) or (b) of this Article. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum, consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, and a quorum of disinterested directors so directs, by independent legal counsel in written opinion.

(e) Expenses incurred by defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

(f) The indemnification provided in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of

disinterested directors or otherwise, or of any other indemnification which may be granted to any person apart from this Article, both as to action in its official capacity and as to action in another capacity while holding office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XIII

INSURANCE

SECTION 13. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against and incurred by such person in any such capacity, or arising out of its status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article.