

BY-LAWS
OF
THE NATIONAL ASSOCIATION OF FLIGHT INSTRUCTORS

ARTICLE I. OFFICES

1.1 Principal Office. The principal office of the Association shall be located in the City of Oshkosh, Wisconsin. The Association may have such other offices, either within or without the State of Wisconsin or Kentucky, as the Board of Directors may designate or as the business of the Association may require from time to time.

1.2 Registered Office and Agent. The Association shall have and continuously maintain in the State of Kentucky a registered office, and a registered agent whose office is identical with such registered office. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II. MEMBERS

2.1 Membership. Membership in the Association shall be of three (3) classes: Member, Group/Corporate and Honorary.

2.1.1 Member. Any person who accepts in spirit and agrees to uphold and abide by the Code of Ethics of the Association may become a Member upon the submission to and acceptance of such person's application by the Board of Directors and payment of initial annual dues.

2.1.2 Group/Corporate Member. Any organization interested in the promotion of flight instruction and aviation education and safety through identification with this Association may become a Group/Corporate Member upon submission to and acceptance of its application by the Board of Directors and payment of the initial annual dues.

2.1.3 Honorary Member. Honorary memberships may be awarded by the Board of Directors in recognition of outstanding contributions to flight instruction and aviation education or to this Association. Honorary members shall be exempt from the payment of annual dues.

2.2 Termination of Membership.

(a) The Board of Directors, pursuant to rules and regulations adopted by the Board of Directors, may suspend or expel any member for cause after an appropriate hearing, and, the Board of Directors, pursuant to rules and regulations adopted by the Board of Directors, may terminate the membership of any member who becomes ineligible for membership.

(b) Individual and Group/Corporate memberships shall be suspended for nonpayment of dues after the payment of dues being delinquent in excess of one calendar month and Individual and Group/Corporate members may be expelled after being delinquent in the payment of dues in excess of three (3) calendar months.

2.3 Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

2.4 Reinstatement. Upon written request signed by a former member and filed with the Secretary, the Board of Directors, pursuant to rules and regulations adopted by the Board of

Directors, may reinstate to membership a former member who was expelled pursuant to Article II, Section 2.2.

2.5 Transfer of Membership. Membership in this Association is not transferable or assignable.

ARTICLE III. MEETINGS OF MEMBERS

3.1 Annual Meeting. An annual meeting of the members of this Association may be called by the Board of Directors and if called shall be held at a place and date and time to be determined by the Board of Directors for the purpose of the transaction of such business as may come before the meeting.

3.2 Special Meetings. Special meetings of the members may be called by the Board of Directors.

3.3 Place of Meetings. The Board of Directors may designate any place, either within or without the State of Kentucky, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

3.4 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail, to each member not less than fourteen (14) nor more than sixty (60) days before the date of such meeting, by or at the direction of the Chairman, President or Secretary. In case of a special meeting or when required by statute or by these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the Notice. If mailed, the Notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Association, with postage thereon prepaid.

ARTICLE IV. BOARD OF DIRECTORS

4.1 General Powers. The affairs of this Association shall be managed by its Board of Directors. Directors need not be residents of the Commonwealth of Kentucky but must be a member of this Association, the class of membership being immaterial.

4.2 Number, Tenure and Qualifications. The number of Directors shall be not less than seven (7) nor more than thirteen (13). So long as there are not less than the seven (7) Directors it shall be within the sole discretion of the Board in regard to whether to fill a vacancy on the Board. Unless otherwise determined by the Board, the officers of this Association being the Chairman of the Board, President, any number of Vice Presidents, Secretary and Treasurer shall be members of the Board of Directors. If the President also serves as Executive Director, the President need not be a member of the Board. Each Director shall hold office until the expiration of such Director's term or until a successor for such Director shall have been elected and qualified.

4.3 Annual Meetings. An annual meeting of the Board of Directors shall be held at the principal office of the Association, at a time and on the date designated by the Board of Directors at its annual meeting or as designated by the Chairman of the Board in the event the Board of Directors does not designate the next annual meeting. The Board of Directors may provide by resolution the time and place, either within or without the State of Kentucky, for the holding of additional regular meetings of the Board without other notice than such resolution.

4.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board and any other three (3) Directors or the President (provided the President is a member of the Board) and any other three (3) Directors or five (5) Directors. The person or persons authorized to call special meetings of the Board may fix the

time and place, either within or without the State of Kentucky, as the place for holding any special meeting of the Board called by them.

4.5 Notice. Notice of any special meeting of the Board of Directors shall be given at least fourteen (14) days previous thereto by written notice delivered personally or sent by United States mail, overnight delivery service, e-mail, telecopy or telegram to each Director at such Director's address as shown by the records of the Association. If mailed or sent by overnight delivery, such notice shall be deemed to be delivered when deposited in the United States mail or given to the overnight delivery service in a sealed envelope so addressed, with postage or delivery fee thereon prepaid. If given by telecopy, such notice shall be deemed given upon transmission to the designated photocopy number on record with the Secretary. If given by e-mail, such notices shall be deemed given upon transmission to the designated e-mail address on record with the Secretary. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Except for the annual meeting or regular meetings, the business to be transacted at the meeting shall be specified in the notice of such meeting. Only the business specified in the notice shall be conducted or acted upon unless consent therefore is obtained in writing from absent Board members.

4.6 Quorum. A majority of the Board of Directors present, acting either in person or by written proxy, shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. In addition, any action which may be taken at a meeting of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by or consented to by a majority of the Directors, either personally, acting by written proxy, or acknowledging by facsimile or e-mail, entitled to vote with respect to the subject matter thereof.

4.7 Manner of Acting. The act of a majority of the Directors present, either in person or by written proxy, at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater or lesser number is required by law or by these By-Laws.

4.8 Proxy. Any action which may be taken in person by a Director may be taken by such Director by means of a written proxy given by such Director to another Director. Such proxy may be of a general nature or may be limited in scope. A Director holding the proxy of another Director shall produce the original proxy at the meeting at which it is utilized, or in the event of an action taken in writing, a copy of such proxy shall be attached to the document to which the signature represented by the proxy is affixed. In the event the proxy is exercised at a meeting, the original proxy shall be shown to the person in charge of the meeting and to anyone else present at the meeting who requests to see the original proxy, and a copy of the proxy shall be given to the Secretary of the meeting to be attached to the minutes of the meeting. A proxy may be given in the form of an original signed document, a facsimile signature or by e-mail.

4.9 Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, shall be filled by the Board of Directors as provided below. A Director elected to fill a vacancy shall be elected for the unexpired term of such Director's predecessor in office.

4.10 Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at such regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

4.11 Election of Directors.

- 4.11.1 Annual Election. Except for vacancies which occur prior to the annual election of Directors, the election of Directors shall take place at the annual Directors' meeting.
- 4.11.2 Election of Current Directors. Each person who is serving as a Director of NAFI as of May 13, 1995 (referred to collectively hereinafter as the "Current Directors") shall remain as such Director until the first to occur of: (i) his or her death or resignation from the Board; or (ii) the expiration of his or her current term of office on the Board. Upon the expiration of a Current Director's current term of office on the Board, or the expiration of any Current Director's subsequent term of office on the Board, he or she may request to serve another term thereon and, in the event he or she so requests, the decision as to whether to grant such request, and to elect that Director to another term, shall be made by a majority of the other Current Directors who are at that time still serving as Directors (including any such Directors whose term is expiring at that same time). In the event of a tie vote, the Current Director shall be deemed reelected.
- 4.11.3 Replacement of Current Directors. When any Current Director is no longer serving as a Director of the Board, whether because of death, resignation or the expiration of his or her final term of office, such Director's successor shall be designated as follows.
- 4.11.3.1 The Board of Directors shall elect a single Director from the names submitted by the Nominating Committee to fill the vacancy.
- 4.11.3.2 The Board of Directors shall submit the name of the new Director to the EAA Board of Directors for approval or rejection.
- 4.11.3.3 If the EAA approves the NAFI Board selection, then, the designated Director shall serve for the remaining term of the Current Director that such Director is replacing; or for a three year term in the event that the Current Director is being replaced at the end of such Current Director's current term, as designated by the NAFI Board and approved by the EAA Board.
- 4.11.3.4 In the event that the EAA Board rejects the Director designated by the NAFI Board, then, the NAFI Board shall, after following the above-designated procedure, submit the name of another Director to the EAA Board for acceptance or rejection.
- 4.11.3.5 In the event the EAA Board rejects a second submission by the NAFI Board, such Current Director's successor shall be designated by the Board of Directors of the EAA and elected by the NAFI Board. In such event the method of such Director's designation shall be at the discretion of the EAA Board.

4.11.4 Nominating Committee. The Chairman of the Board shall select three members of the Board of Directors, not less than one of whom shall be a Current Director (so long as one or more Current Directors are then serving on the Board) to nominate persons to fill vacancies on the Board. The members of the Nominating Committee shall serve at the pleasure of the Chairman of the Board; provided, however, a majority of the members of the Board may vote to remove a Nominating Committee member and in such event the Chairman of the Board shall select a replacement for such Nominating Committee member. In the event of a vacancy on the Board of Directors, which the Board chooses to fill pursuant to these By-Laws, the Nominating Committee shall meet at an agreed upon time and place (which meeting may be accomplished by telephone, video conferencing or other agreed upon method) from time to time until the Nominating Committee has agreed upon a candidate or candidates, not to exceed three, to submit to the Board to fill such vacancy. The Nominating Committee shall establish its own guidelines in regard to the selection process which must include interviews of nominees, in person, by telephone or video conferencing; provided, however, in the event that the Board establishes guidelines to be followed by the nominating Committee, the Nominating Committee shall adhere to such guidelines in the selection process. In the selection process, the Nominating Committee shall develop a profile of qualifications for nominees and submit such profile of qualifications to the Board for review and approval or in the event that the Board has established a profile of qualifications, the Nominating Committee shall follow such profile of qualifications. In the event the Nominating Committee does not provide a slate of nominees within six (6) months following the Board directing the Nominating Committee to prepare a slate of nominees, the Board may call a meeting of the Board and meet for the purpose of accepting nominations from Board members which nominations shall not be limited in number and the Board shall thereafter proceed with an election of a Board member. Guidelines for the selection of nominees shall include the following:

4.11.4.1 There shall be no maximum age restriction in regard to a nominee.

4.11.4.2 Unless approved by 80% or more of the Board, a staff member of NAFI shall not serve as a Director. In the event that a staff member is nominated and such staff member nominee does not obtain an 80% approval by the Board of Directors, the staff member shall not be seated on the Board, the nominee other than the staff member having the next highest number of votes shall be deemed to be elected as Director. In the event that the Nominating Committee nominates a staff member as the sole nominee and such staff member does not receive 80% approval of the Board of Directors, the Nominating Committee shall select another nominee or nominees to fill such vacancy and such nominee or nominees shall not include the staff member nominees

who did not receive 80% approval of the Board of Directors.

- 4.11.4.3 In the event that the Nominating Committee submits more than one nominee for election by the Board, the nominee receiving the most votes shall be elected to fill the vacancy; except as provided above in regard to staff members.
- 4.11.5 Term of Office. Except for Current Directors, who may serve a term of one year, Directors shall serve three year staggered terms. Prior to the time of election of a Director, the Nominating Committee shall establish the initial term of the Director being elected. In establishing the initial term of the Director, the Nominating Committee shall review the length of the terms and the time remaining on the terms of Directors other than Current Directors and shall endeavor to create a system of three year staggered terms such that when there are no more Current Directors remaining on the Board, one-third of the members of the Board are elected annually.
- 4.11.6 Term Limits. Directors shall have no term limits and therefore may be reelected indefinitely.
- 4.11.7 Board Composition. Notwithstanding anything herein which may be interpreted or construed to the contrary, not less than 75% of the members of the Board of NAFI shall be FAA certificated flight instructors. In determining nominees, the Nominating Committee shall strive to create a Board comprised of Board members with various areas of expertise to assist the Board in carrying out its functions. In making its determination as to nominees, the Nominating Committee shall strive to create a Board comprised of a mix of the following areas of expertise: legal; accounting; active flight instruction; financial expertise; marketing expertise; commercial pilot; insurance expertise; ground school instructor; computer expertise; FAA experience; simulator instruction expertise; communications and web communications expertise; and/or college instructor of aviation.

ARTICLE V. OFFICERS

5.1 Officers. The officers of the Association shall be the President, any number of Vice Presidents, Secretary, any number of Assistant Secretaries, and Treasurer and any number of Assistant Treasurers. There may, in addition, be a Chairman of the Board, at any time during which the Board shall see fit to cause such office to be filled. The Chairman of the Board and any number of officers designated by the Chairman of the Board and up to two Board members at large shall constitute the Executive Committee with the power to act in regard to emergency situations and urgent matters requiring immediate attention between Board meetings and keep, maintain and enforce the policies of the Association; provided, however, that if the Executive Committee finds it necessary to take action that requires action of the entire Board, then such action, after being taken, shall be presented to the Board as soon as possible for ratification or further action of the Board.

5.2 Election and Term of Office. The term of office for all officers shall be one year. A vacancy in the office of President, Secretary or Treasurer because of death, resignation or otherwise shall be filled by the Board of Directors for the unexpired portion of a term.

5.3 Chairman of the Board. The Chairman of the Board, if and while there be an incumbent of the office, shall preside at all meetings of the Shareholders and of the Directors at which the Chairman of the Board is present. The Chairman of the Board shall have and exercise general supervision over the conduct of the Association's affairs and over its other officers, subject, however, to the control of the Board of Directors. The Chairman of the Board shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chairman of the Board shall from time to time report to the Board of Directors all matters within the knowledge of the Chairman of the Board which the interest of the Association may require to be brought to the attention of the Board. The Chairman of the Board shall employ, direct, fix the compensation of, discipline and discharge personnel and employ agents, professional advisers and consultants; provided, however, the Chairman of the Board may delegate these duties from time to time to the President.

5.4 President. If and while there is no incumbent of the office of Chairman of the Board, and during the absence or disability of the Chairman of the Board, the President shall have the duties and authority specified above in Section 5.3. Subject to the control of the Chairman of the Board, and/or the Board of Directors, the President shall superintend and manage the business of the Association; coordinate and supervise the work of its other officers, except the Chairman of the Board; and perform all functions of a general manager of the Association's business. The President with the consent of the Chairman of the Board, may sign, execute and deliver in the name of the Association all deeds, mortgages, bonds, contracts and other instruments either when specially authorized by the Board of Directors or when required or deemed necessary or advisable by the Chairman of the Board in the ordinary conduct of the Association's normal business, except in cases where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Association, or shall be required by law or otherwise to be signed or executed by some other officer or agent. The President shall, in general, perform all duties incident to the office of the President and such other duties as from time to time may be assigned to the President by the Chairman of the Board and/or Board of Directors.

5.5 Vice President. If elected, a Vice President shall perform such duties as assigned to such Vice President from time to time by the Board of Directors and/or the Chairman of the Board. In the absence of the President, a Vice President then in office with the longest tenure as an officer of the Association shall assume the duties of President, including but not limited to acting as the Chairperson of any meetings otherwise presided over by the President.

5.6 Secretary. The Secretary shall keep a record of all meetings of the Executive Committee, the Board of Directors, and the Association. Minutes shall be taken at all meetings, and a copy thereof presented to the Secretary, and a summary of the actions taken shall be available to the members of the Board of Directors. The Secretary shall issue notice of all meetings as required herein. The Secretary shall keep an accurate roll of members . The Secretary may have such Assistant Secretaries as are deemed necessary by the Secretary to assist the Secretary in the duties of the Secretary and such Assistant Secretaries shall be designated by the Chairman of the Board. In the absence of the Secretary, or with the consent of the Secretary, the Chairman of the Board may designate someone to take the minutes of the meeting and such person need not be a member of the Board.

5.7 Treasurer. The Treasurer shall keep an accounting of all funds, and receive and pay all funds, in accordance with the policies of the Board of Directors. The Treasurer may have such Assistant Treasurers as are deemed necessary by the Treasurer to assist the Treasurer in the duties of the Treasurer and such Assistant Treasurers shall be designated by the Chairman of the Board.

ARTICLE VI. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

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

6.2 Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association 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 by the Board of Directors, such instruments shall be signed by the Treasurer or an assistant Treasurer and countersigned by the Chairman of the Board or President of the Association.

6.3 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors or their designated agent may select.

6.4 Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Association.

ARTICLE VII. CERTIFICATES OF MEMBERSHIP

7.1 Certificates of Membership. The Board of Directors may provide for the issuance of a certificate evidencing membership in the Association, which shall be in such form as may be determined by the Board. Such certificate shall be signed by the President or a Vice-President and by the Secretary and may be sealed with the seal of the Association, if a seal is adopted by the Association. Unless otherwise determined by the Board of Directors, all certificates evidencing membership of any class shall be consecutively numbered. The name and address of each member and the date of issuance of the membership certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine from time to time.

ARTICLE VIII. BOOKS AND RECORDS

8.1 The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees. Except for documents determined by the Board of Directors to be confidential in nature, all books and records of the Association may be inspected by any member, or such member's agent or attorney for any proper purpose at any reasonable time.

ARTICLE IX. FISCAL YEAR

9.1 The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X. DUES

10.1 Annual Dues. The Board of Directors may determine from time to time the amount of initiation fee, if any, and the amount of annual dues payable to the Association by its members.

10.2 Payment of Dues. Dues of a new member shall be due and payable on or before the last day of the month in which such new member is accepted into the membership. All renewals thereafter shall be due on or before the last day of the twelfth (12th) month following said acceptance into membership. Such process shall continue on a calendar month basis, it

being the purpose of this provision to have paid memberships expire and be renewable twelve (12) months from the end of the month in which such membership began.

ARTICLE XI. WAIVER OF NOTICE

11.1 Whenever any notice is required to be given under the provisions of the Non-Profit Corporation Act of Kentucky or under the provisions of the Articles of Incorporation or the By-Laws of the Association, 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. LIABILITIES

12.1 Nothing herein shall constitute members of this Association as partners for any purpose. No member, officer, agent or employee shall be liable for acts or failure to act on the part of any member, officer, agent or employee of the Association. No member, officer, agent or employee shall be liable for such party's acts or failure to act under these By-Laws, excepting only acts or omissions arising out of such party's willful and intentional misfeasance.

ARTICLE XIII. INDEMNIFICATION

13.1 The Association 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 Association, by reason of the fact that he or she is or was a Director, officer, employee, agent or volunteer of the Association, or is or was serving at the request of the Association as a director, officer, employee, member, manager, agent or volunteer of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust, limited liability company or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe his or her conduct 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 he or she reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, a presumption that he or she had reasonable cause to believe that his or her conduct was unlawful.

13.2 The Association 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 Association to procure a judgment in its favor, by reason of the fact that he or she is or was a Director, officer, employee, agent or volunteer of the Association, or is or was serving at the request of the Association as a director, officer, employee, member, manager, agent or volunteer of another corporation, domestic or foreign, non-profit or for profit, partnership, joint venture, trust, limited liability company or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense, or settlement of such action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect to 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 his or her duty to the Association unless, and only to the extent that a court of competent jurisdiction 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 indemnity for such expenses as such court shall deem proper.

13.3 To the extent that a Director, officer, employee, member, manager, agent or volunteer of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding, referred to in the above two paragraphs, or in defense of any claim, issue, or matter in such action, suit or proceeding, he or she shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with such action, suit or proceeding.

13.4 Any indemnification under the first two paragraphs of this Article XIII, unless otherwise ordered by a court of competent jurisdiction, shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee, member, manager, agent or volunteer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the first two paragraphs of this Article XIII. Such determination shall be made:

A. by a majority vote of a quorum consisting of directors of the Association who were not and are not parties to or threatened with any such action, suit, or proceeding; or

B. by a majority vote of the Directors of the Association in writing in the event a meeting is not called for the purpose set forth herein; provided, however, that for purposes of obtaining a majority, the votes of Directors who are parties to or who are threatened with any such action, suit or proceeding shall not be counted; or

C. if such quorum is not obtainable or if a majority vote of a quorum of disinterested Directors so directs, in a written opinion by independent 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 for the Association, or any person to be indemnified within the past five years; or

D. by a court of competent jurisdiction in which such action, suit or proceeding was brought or by an arbitrator who conducted the arbitration of such action, suit or proceeding.

13.5 If an action or suit by or in the right of the Association is involved, any determination made by the disinterested Directors under provisions (A) or (B) above or by independent legal counsel under provision (C) above, shall be promptly communicated to the person who threatened or brought the action or suit, and within ten (10) days after receipt of such notification, such person shall have the right to petition the court in which such action, suit or proceeding was brought or the arbitrator who conducted the arbitration to review the reasonableness of such determination.

13.6 Expenses, including attorneys' fees, incurred in defending any action, suit, or proceeding referred to in the first two paragraphs of this Article XIII, shall be paid by the Association in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director, officer, employee, member, manager, agent or volunteer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Association as authorized in this Article XIII.

13.7 The indemnification provided by this Article XIII shall not be deemed exclusive of, and shall be in addition to, any other rights to which those seeking indemnification may be entitled under the Articles or the By-Laws or any agreement, or vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity

while holding his or her office, and shall continue as to a person who has ceased to be a Director, officer, employee, member, manager, agent or volunteer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

13.8 The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee, member, manager, agent or volunteer of another corporation, domestic or foreign, non-profit or for profit, limited liability company, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under this Article.

ARTICLE XIV. AMENDMENTS

14.1 These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a two-thirds (2/3) vote of the Board of Directors, provided that no amendment to these By-Laws shall be inconsistent with the terms of the Affiliation Agreement entered into by and between the Experimental Aircraft Association, Inc. and National Association of Flight Instructors, Inc. on May 13, 1995.