

**AMENDED AND RESTATED BYLAWS OF  
PETOSKEY AREA HOCKEY ASSOCIATION  
EFFECTIVE September 16, 2023**

**ARTICLE I Name**

**Section 1.** The name of this organization is the Petoskey Area Hockey Association (“PAHA”).

**Section 2.** The Petoskey Area Hockey Association is recognized as a State of Michigan, 501 (c) (3) non-profit corporation upon a non-stock, membership basis, not involving pecuniary gain or profit for any of its members, for a term of perpetual existence.

**Section 3.** The address of the Petoskey Area Hockey Association is P.O. Box 862, Petoskey, Michigan, 49770.

**ARTICLE II Purpose**

**Section 1.** The purposes for which PAHA has been formed are to:

- a. Establish and operate amateur ice hockey teams, for the youth of Petoskey and surrounding communities, and develop amateur athletes for competition in the sport of ice hockey.
- b. Encourage, promote, and improve the game and standards of the sport of ice hockey, build character, and foster good sportsmanship among youth and others associated with PAHA.
- c. Become a member of, or participate with, other organizations, associations, or leagues with purposes similar to those of PAHA.
- d. Operate within the governing policies, rules and regulations of USA Hockey, the Michigan Amateur Hockey Association (“MAHA”) and any league rules that are applicable.
- e. Comply with the Articles of Incorporation for PAHA and the laws of the State of Michigan applicable to non-profit organizations.

**ARTICLE III Membership**

**Section 1.** Membership Fees.

a. Annual membership fees are to be paid for each skater in any program or on any team. This fee is established by the Board of Directors. Payment of this fee constitutes yearly active membership in PAHA. The membership year is July 1 through June 30 of the following year.

b. Other assessments necessary for the operation of PAHA may, from time to time, be established by the Board of Directors. All such assessments shall be payable as directed by said Board or the Executive Committee, in the Board's absence. Failure to comply with either Section a. or b. of this by-law and any rules promulgated hereunder shall result in the immediate suspension of said non-complying league, association, team, and/or individual(s) and said suspension shall remain in full force and effect until such time as there is full compliance.

**Section 2. Active Members.** The active membership shall consist of the families and/or legal guardians with individuals registered to participate in the Petoskey Area Hockey Association. For purposes of participation in PAHA governance, currently rostered coaches that are not otherwise eligible for membership shall be considered active members for that membership year.

**Section 3. Voting.** To vote in any association matter, active members must be 18 years of age or older.

**Section 4. Loss of membership.** The Board of Directors, by majority vote, may suspend or expel any member for cause or conduct it deems inappropriate.

a. The expelled or suspended member has seven (7) calendar days after receipt of written expulsion or suspension to request, by certified mail, a hearing before the Appeals Committee to appeal their specific case.

b. The Appeals Committee will consist of 3 impartial organization members that will review all paperwork, testimony, voice or video recordings, or other evidence presented to determine if the original findings of the Board of Directors were correct and the sanctions are appropriate. After a ruling has been made, either party may appeal the decision to the Directors of District 7.

c. Any member of PAHA may resign by written notice to the Board of Directors accompanied by payment of all money and property owed.

d. Termination of membership, whether by resignation, suspension, expulsion, or otherwise, terminates all rights of membership.

**Section 5. Honorary Member.** An honorary member may be so designated by a majority vote of the Board of Directors.

**Section 6. General Membership Meetings.** There will be a minimum of one general membership meeting per calendar year. All active members will be notified of general membership meetings.

**Section 7.** At the Board of Directors' discretion, and in accordance with the applicable laws of the State of Michigan, any meeting may be closed to non-Board members.

**Section 8.** The Board of Directors is empowered to require any active member to appear before the Board.

#### **ARTICLE IV Board of Directors**

**Section 1.** The Board of Directors consists of nine (9) elected positions. The Board of Directors will vote to fill the following one-year positions:

- a. Officers. Elected annually by a majority vote of all Directors.
  - 1. President
  - 2. Vice President
  - 3. Secretary/Communications Director
  - 4. Treasurer
- b. Other roles. The five (5) directors not elected as officers shall be elected annually by a majority vote of all Directors to other roles listed below. These other roles may be modified from time to time by a majority vote of the Board of Directors.
  - 5. Registrar/Ice Manager
  - 6. Coaching Director/Hockey Director
  - 7. Equipment Manager
  - 8. Fundraising/Events Director
  - 9. Instructional Program Director

**Section 2.** Tenure. Board members shall be elected by secret ballot of the active members for a two (2) year period with a minimum of three (3) positions elected each year. In the event a Board Member cannot complete the two (2) year term, the Board of Directors may appoint someone to serve in that role until the next regular election, at which time there will be a special election to fill the vacancy. Termination of tenure based on special elections will match those of the previous occupant.

**Section 3.** Eligibility. Active Members in good standing (not currently suspended or expelled) and Honorary Members are eligible for election as a Board member.

- a. No two (2) members of the same immediate family or household are eligible to serve on the Board of Directors at the same time.

b. A maximum of one (1) Board member without an individual registered to participate in the Petoskey Area Hockey Association may serve on the Board at any time.

c. Members who have a potential conflict of interest between the duties of a Board member and external associations, teams, clubs, schools, contractors, or employment must disclose the conflict in writing when accepting a nomination for election. Conflicts that arise after being elected must be disclosed in writing to the Board of Directors within seven (7) business days.

**Section 4. Duties.** The duties of the Board of Directors include the approval and denial, by majority vote, of the business, conduct, policy, and affairs of PAHA.

**Section 5. Meetings.** The time and place of regular and special Board of Directors meetings are determined by the Board of Directors. Regular meetings of the Board of Directors are open to active members; however, participation is at the request of the Board of Directors.

a. Quorum. A majority of the voting members of the Board of Directors must be present to constitute a quorum.

b. Voting. Each member of the Board of Directors is entitled to one (1) vote.

1. Proxies. A Board Member may vote either in person or by proxy. A proxy shall be in writing, for a specific meeting, signed by the member, and filed with the Secretary. No proxy shall be valid unless it names a specific member of the Board of Directors to act and vote on any issues presented at the specified meeting.

2. At any meeting of the Board of Directors, any director who has a financial or uniquely personal interest in the action being discussed or taken by the Board of Directors may be excused from the discussion of that matter, and shall not be entitled to vote on the proposed action. A Director is excused by majority vote of the Board of Directors. In situations where a director is so excused, the excused director shall be counted for purposes of determining whether a quorum is present.

c. An agenda is prepared and followed during Board of Directors meetings.

**Section 6.** Attendance at Board Meetings is expected. Failure to maintain routine attendance may result in removal from the Board by a two-thirds (2/3) vote of the Board of Directors.

## **ARTICLE V Duties of the Officers**

**Section 1. President.** The President is responsible for the following:

- a. Presiding at Board of Directors and general membership meetings.
- b. Performing duties as may be prescribed from time to time by the Board of Directors.
- c. Acting as an ex-officio member of all committees.
- d. Representing PAHA at all MAHA District meetings.
- e. Serving as PAHA's registered agent with the State of Michigan.

**Section 2.** Vice President. The Vice President is responsible for the following:

- a. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President performs the duties of the President, and, when so acting, has all the powers of and restrictions of the President.
- b. Performing all duties related to risk management as defined by USA Hockey and MAHA, including serving as Safe Sport Coordinator and overseeing dispute resolution and/or discipline for players, coaches, Active Members, and Honorary Members.
- c. Visiting team practices and games on a routine basis to ensure proper safety practices are being observed.
- d. Chairing the Bylaws Committee.

**Section 3.** Secretary/Communications Director. The Secretary is responsible for the following:

- a. Recording and keeping minutes of general membership, regular, and special Board of Directors meetings. Upon request, anyone from the general membership may view a copy of minutes or records.
- b. Maintaining official correspondence as necessary to conduct the business and operations of PAHA, including internal communications and the creation and dissemination of meeting agendas and minutes.
- c. Maintaining regular correspondence with Active Members of PAHA, including timely notification of general membership, regular, and special Board of Directors meetings. The secretary will create and disseminate a schedule of regular Board of Director meetings.
- d. Acting as custodian of records.

e. Chairing the Nominating and Election Committee.

f. Signing with the President all documents, as authorized by the Board of Directors and/or the President.

g. Performing all duties incidental to the position of Secretary.

h. Assuming the duties of the President in the absence of the President and Vice President.

i. In the temporary absence of the Secretary or in the event of the Secretary's inability or refusal to act, the Board of Directors appoints one of its members to perform the duties of the Secretary, and, when so acting, has all the powers of and restrictions of the Secretary.

**Section 4.** Treasurer. The Treasurer is responsible for the following:

a. Managing all funds.

b. Obtaining and preparing receipts and other documentation of the use of PAHA funds.

c. Preparing and submitting an annual budget for approval of the Board of Directors.

d. Submitting a written monthly financial report to the Board of Directors. Upon request, anyone from the general membership may view a copy of the financial report.

e. Performing duties incidental to the position of Treasurer.

f. Assuming the duties of the President in the absence of the President, Vice President, and the Secretary.

g. Assisting in the preparation of necessary tax documentation.

i. Securing necessary bonding and insurance in accordance with these Bylaws and at the direction of the Board of Directors.

**Section 5.** Registrar/Ice Manager. The Registrar/Ice Manager is responsible for the following:

a. Maintaining up-to-date information on all players, coaches, and teams.

b. Overseeing completion of necessary registration documentation for players, coaches, and teams.

- c. Securing applicable player awards when presented with proper statistical documentation.
- d. Releasing applicable registration fees to the Treasurer for payment.
- e. Securing ice time, including managing ice exchanges and cancellations of scheduled ice.
- f. Developing a preliminary ice schedule for approval by the Board of Directors.
- g. Responsible for managing all registration and ice fees.

**Section 6.** Coaching Director/Hockey Director. The Coaching Director is directly in charge of the coaches of PAHA. The Coaching Director is responsible for the following:

- a. Obtaining applications to coach PAHA's House hockey teams.
- b. Recommending individuals to the Board of Directors for House coaching positions.
- c. Representing House coaches at Board of Directors meetings.
- d. Acting as Coaching Education Program (CEP) Director and facilitating training for House coaches.
- e. Overseeing conduct and discipline of House coaches, including appointing or removing House coaches until such time as the Board of Directors may approve or disapprove the action.
- f. Preparing and submitting written changes to PAHA Draft Policies to the Board of Directors for approval.
- g. Educating House coaches on PAHA's developmental philosophy, including communicating expectations with respect to rules, regulations, and conduct.
- h. Performing duties incidental to the position of Coaching Director.

**Section 7.** Equipment Manager. The Equipment Manager is responsible for the following:

- a. Recommending to the Board of Directors the quantity and make of equipment to be purchased or sold.
- b. Soliciting and receiving bids from various sources for the purchase and sale of equipment.
- c. Transacting equipment purchases and sales with the approval of the Board of Directors.

d. Scheduling delivery, issuing, and collecting all equipment.

e. Ensuring that equipment is properly maintained.

f. Maintaining an inventory of equipment.

g. Negotiating other purchases as directed by the Board of Directors.

**Section 8.** Fundraising/Events Director. The Fundraising/Events Director is responsible for the following:

a. Overseeing all fundraising activity.

b. Working with the Treasurer to assure timely deposit and accounting of all funds raised.

c. Overseeing all promotional and off ice PAHA events, including securing such participation from other Board members and Active Members of PAHA as needed to conduct said events. (Examples include assisting Instructional Program Director with USA Hockey introductory programs.)

d. Performing duties incidental to the position of Fundraising/Events Director.

**Section 9.** Instructional Program Director. The Instructional Program Director is responsible for the following:

a. Obtaining applications to coach the Instructional Program.

b. Recommending individuals to the Board of Directors for Instructional Program coaching positions.

c. Representing Instructional Program coaches at the Board of Directors meetings.

d. Acting as USA Hockey introductory program manager (for example, Try Hockey For Free) and facilitating training for Instructional Program coaches.

e. Overseeing conduct and discipline of Instructional Program coaches, including appointing or removing Instructional Program coaches until such time as the Board of Directors may approve or disapprove the action.



f. Preparing and submitting written changes to Instructional Program policies to the Board of Directors for approval.

g. Communicating expectations with respect to rules, regulations, and conduct.

h. Performing duties incidental to the position of Instructional Program Director.

**Section 10.** Members of the Board of Directors. All members of the Board of Directors are responsible for performing other duties as assigned by the Board of Directors.

## **ARTICLE VI Duties of Coaches and Managers**

**Section 1.** Head Coach. The Head Coach is responsible for teaching, training, supervising, disciplining, and overall conduct of the team in the fundamentals of hockey and the merits of good sportsmanship. The Head Coach's duties include the following:

a. Enforcing rules and regulations of PAHA, the Michigan Amateur Hockey Association, USA Hockey, and the facility.

b. Ensuring that the assistant coaches, managers, players, and the players' parents participate in all fundraising activities.

c. Recommending to the Coaching Director the names of Assistant Coaches.

d. Performing all duties incidental to the position of Head Coach and such other duties as may be assigned by the Board of Directors and/or appropriate Coaching Director.

e. To designate a Team Manager

**Section 2.** Assistant Coach. An Assistant Coach performs duties and responsibilities as assigned by the Head Coach. In the absence of the Head Coach, an Assistant Coach may be designated to assume the duties and responsibilities of the Head Coach.

**Section 3.** Manager. Each team must have a Manager. It is recommended that the Head Coach, or a family member of any coach, not be Team Manager. The Manager works with the coaching staff to administer matters of registration, schedules, finances, and equipment. Managers are responsible for the following:

a. Acting as a liaison between parents and the team coaches.

b. In consultation with the Head Coach, scheduling the team's regular games and tournaments.

- c. Maintain the team's jerseys, including bringing them to and from games.
- d. Collecting and disbursing team funds.
- e. Obtaining and preparing receipts.
- f. Communicating necessary business and policy with parents.
- g. Preparing team registration forms.
- h. Performing other duties as defined by the Head Coach and/or PAHA Board of Directors.

## **ARTICLE VII Membership Rules and Regulations**

**Section 1.** Rules and regulations of PAHA include, but are not limited to, the following:

- a. Any Head Coach or Manager who wishes to drop a player from the team after the roster has been signed, must bring the matter before the Board of Directors for approval.
- b. Any house team player wishing to be dropped from a team shall be dropped.
- c. House teams are established on a first come first serve basis until final registration date as determined by current MAHA By-Laws.
- d. All teams will only participate in leagues endorsed by the Board of Directors.
- e. All ice assigned to teams is the responsibility of the team. If for any reason the ice will not be used as scheduled, the Head Coach or Manager is responsible to notify the Ice Manager immediately. The team's obligation is not dissolved until the ice is actually sold.
- f. Ice and other financial obligations left unpaid are the sole responsibility of those making the commitment.
- g. No team will wear any jersey or logo without approval from the Board of Directors.
- h. The identity of sponsors must be communicated to the Board of Directors as soon as possible.
- i. Ice fees are payable for all games and practices whether the player attends or not.
- j. Players and coaches are to conform with safety rules and regulations as mandated by USA Hockey, MAHA, and the respective league or tournament.

k. Properly secured protective equipment is to be worn as mandated by USA Hockey, MAHA, and the respective league or tournament. Any player failing to comply with this requirement is not allowed to play until the player complies with the required guideline.

l. All equipment and uniforms purchased by or for PAHA becomes the property of PAHA.

m. Team Managers and players are required to sign out game jerseys at the time of registration. Team Managers and players are responsible for their jerseys for the entire season. If they are lost, not returned, or damaged beyond repair, the player or Team Manager will be charged for the replacement jersey.

n. Jerseys are to be cleaned routinely and before they are returned for storage. Players or Team Managers in violation of this guideline will be assessed for cleaning costs.

o. Both jerseys are to be brought to ALL games regardless of whether your team will be playing as the home team or away team. If game jerseys are not brought to a game, the responsible player may be asked to watch from the stands and not participate in the on-ice activities at the Head Coach's discretion.

p. Ice bills will be distributed in three payments throughout the season, unless paid in full at the beginning of the season. Payment is due by the 1st of the month unless otherwise noted. All payments must be made by credit card, check or money order. **NO CASH WILL BE ACCEPTED!** Please make all payments payable to the "PETOSKEY AREA HOCKEY ASSOCIATION" and deliver payments to the Registrar/Ice Manager by the due date. Any ice bill not paid in full by the due date may be assessed a \$25.00 per month late fee, unless you have prior approval.

q. One member from each family must volunteer time by serving on a committee, helping at teams home games, or such other methods as may be designated by the Board from time to time. Minimum three hours throughout the season.

## **ARTICLE VIII Finances**

**Section 1.** The fiscal year of PAHA begins on the first day of July (July 1) and ends on the last day of June (June 30) the following year.

**Section 2.** Contracts. No member of PAHA is allowed to enter into a contract or execute and deliver any instrument in the name of or on behalf of PAHA, except as approved by the Board of Directors.

**Section 3.** Gifts. The Board of Directors may accept any contribution, gift, bequest, or device on behalf of PAHA.

**Section 4.** Use of Funds. All funds or properties of PAHA of any kind and nature are to be used and distributed exclusively for the purposes of the Association.

**Section 5.** Dissolution. Upon dissolution of PAHA, all assets of PAHA are to be distributed to such non-profit corporations of like purpose or purposes as set forth in Article II of these Bylaws and who qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, as a majority of the Board of Directors of this organization may select and designate. In the event of dissolution, none of the assets of PAHA shall inure to the benefit of, or be distributable to, any of its members, officers, or directors.

**Section 6.** Financing. The operation and conduct of PAHA is financed by regular registration fees, voluntary contributions, fundraising, and incidental receipts. All fees are on a player or member basis in an amount as determined by the Board of Directors.

**Section 7.** All teams will participate in fundraising projects for the good of PAHA. No exceptions will be made.

**Section 8.** All money and property received from sponsors becomes an asset of PAHA. Money received from sponsors will be turned over to the Treasurer and deposited directly into PAHA accounts. Money will be disbursed according to the sponsor's original wishes provided they are not incompatible with the purposes of PAHA.

**Section 9.** Registrar is required to report all players who are 2 days in arrears and inform the Board of Directors of any special cases or special circumstances. At the discretion of the Board of Directors, players who are in arrears may be suspended.

**Section 10.** Audit. An audit of the treasury and all assets of PAHA is made at the end of each fiscal year by the Auditing Committee and presented to the Board of Directors.

**Section 11.** Fidelity. The Treasurer is to be bonded in an amount set by the Board of Directors.

**Section 12.** Authorizations. Written signatures of any two (2) of the following: President, Vice President, Secretary, or Treasurer are required to authorize removal of any funds from the banks or other depositories of PAHA.

## **ARTICLE IX Amendments**

**Section 1.** The Bylaws Committee accepts and reviews proposed written amendments from active members. Proposed changes will then be submitted from the Bylaws Committee to the Board of Directors within thirty (30) calendar days for their consideration.

**Section 2.** Bylaws are only amended by a two-thirds (2/3) affirmative vote of the entire Board of Directors.

**Section 3.** Final interpretation of these Bylaws rests with the majority opinion of the Board of Directors.

## **ARTICLE X Dispute Resolution**

**Section 1.** If any active member of PAHA encounters a problem relating to the application of any term of these Bylaws or the administration of the purpose, policy, or business of the Association, the following procedure is to be followed:

a. Using a proactive approach, an investigation will be held as soon as possible in an attempt to arrive at a resolution. This discussion should include the affected member(s), a Board liaison, the team's Head Coach, and the appropriate Director (Coaching or Instructional).

b. If the problem is not resolved at the conclusion of the investigation, the Board liaison forwards the issue to the Board of Directors who will rule on the matter at their next regularly scheduled meeting or at a special meeting. In cases of discipline involving suspension, a special Board of Directors meeting will be scheduled as soon as possible.

c. The ruling of the Board of Directors is considered final and binding. Anyone not abiding by the decision of the Board of Directors is subject to loss of membership.

d. Anyone not in agreement with the Board of Directors decision is entitled to appeal their decision as described in Article III Section 4. b.

## **ARTICLE XI Committees**

**Section 1.** The following Committees are appointed each calendar year by a majority vote of the Board of Directors:

a. Auditing - includes the Treasurer and Fundraising/Events Director

b. Bylaws – Vice President to chair, shall include non-Board members

c. Coaching – includes the Coaching Director and Registrar/Ice Manager

d. Equipment - includes the Equipment Manager and Instructional Program Director

e. Fundraising - includes the Fundraising/Events Director and Treasurer

f. Nominating and Elections – Secretary to chair, shall include non-Board members

g. Appeals - 3 impartial organization members, determined as needed on a case-by-case basis

**Section 2.** The Board of Directors may appoint any other committee which, in its opinion, is deemed necessary.

**Section 3.** All Committees will meet at least annually.

**Section 4.** The Board of Directors is responsible for overseeing all activities of the Committees.

## **ARTICLE XII Policies and Procedures**

**Section 1.** The Board of Directors may from time to time establish policies and procedures regarding aspects of the organization's mission and operations: Such documents shall be shared with members annually and any time a new document is created or an old document amended.

## **ARTICLE XIII Hold Harmless**

PAHA, an affiliate of MAHA and USA Hockey, Inc., does hereby indemnify and hold harmless USA Hockey and each member thereof, the Executive Committee of USA Hockey and each member thereof, the councils and committees of USA Hockey and each member thereof, and all other elected, appointed, employed or volunteer representatives of USA Hockey from any and all claims, liability, judgments, costs, attorneys' fees, charges and expenses whatsoever, arising from the acts and omissions of MAHA, except to the extent (i) that USA Hockey or the afore described representatives caused such claims, judgments, costs, attorneys' fees, charges and expenses by their own intentional neglect or default or (ii) that such acts or omissions were the direct result of compliance with the Articles of Incorporation, Bylaws, Rules and Regulations, Playing Rules, or decisions of the Board of Directors of USA Hockey. Further, MAHA understands and acknowledges that USA Hockey and its afore described representatives have assumed such assignment, function, office or capacity upon the express understanding, agreement and condition that they be so indemnified and held harmless to the extent described in this constitution.

## **ARTICLE XIV Indemnification**

**Section 1.** Nonderivative Actions. Subject to all of the other provisions of this article, PAHA 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. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of PAHA). Such indemnification shall apply only to a person who was or is a director or officer of PAHA, or who was or is serving at the request of PAHA as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of PAHA or its members. With respect to any criminal action or proceeding, the person must have 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 on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of PAHA or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

**Section 2.** Derivative Actions. Subject to all of the provisions of this article, PAHA shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of PAHA to procure a judgment in its favor because (a) the person was or is a director or officer of PAHA or (b) the person was or is serving at the request of PAHA as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of PAHA or its members. However, indemnification shall not be made for any claim, issue, or matter in which such person has been found liable to PAHA unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

**Section 3.** Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 1 or 2 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

**Section 4. Contract Right; Limitation on Indemnity.** The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of PAHA as well as in such person's capacity as a director or officer. Except as provided in section 3 of this article, PAHA shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the board.

**Section 5. Determination That Indemnification Is Proper.** Any indemnification under sections 1 or 2 of this article (unless ordered by a court) shall be made by PAHA only as authorized in the specific case. PAHA must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 1 or 2, whichever is applicable. Such determination shall be made in any of the following ways:

- a. By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.
- b. If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
- c. By independent legal counsel in a written opinion.
- d. By the members.

**Section 6. Proportionate Indemnity.** If a person is entitled to indemnification under sections 1 or 2 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, PAHA shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

**Section 7. Expense Advance.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 1 or 2 of this article may be paid by PAHA in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by PAHA. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

**Section 8. Nonexclusivity of Rights.** The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with PAHA.



However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

**Section 9.** Indemnification of Employees and Agents of PAHA. PAHA may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of PAHA to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of PAHA.

**Section 10.** Former Directors and Officers. The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

**Section 11.** Insurance. PAHA may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of PAHA, or (b) was or is serving at the request of PAHA as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not PAHA would have power to indemnify against such liability under this article or the laws of the state of Michigan.

**Section 12.** Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to PAHA and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits PAHA to provide broader indemnification rights than such provisions permitted PAHA to provide before any such change.

## **ARTICLE XV Compensation**

When authorized by the Board, a person shall be reasonably compensated for services rendered to PAHA as an officer, director, employee, agent, or independent contractor, except as prohibited by these Bylaws.

