

## RYHA Executive Board Special Meeting

### Meeting Minutes

March 3 2014

A meeting of the RYHA Executive Board was held on Tuesday March 3, 2014 at 4:00p. In attendance were

- Steve Henley, Executive Director
- David Wright, President (remotely via conference call)
- Shane Willis, Ex-Officio VP at Large
- Lori Parro, VP of Finance
- Andy Thomas, VP of Fundraising
- Also in attendance was appointed legal counsel Scott Merrell of Hutchison Law Group, LLC in Raleigh, engaged for a review of RYHA governance, as well as review and assessment of the Corporation's active bylaws.

The purpose of the meeting was to discuss the most recent Board activity involving the proposed alliance with the East Coast Eagles association and the Carolina Lightning. The intent was to discuss revision of the RYHA bylaws in accordance with Shane Willis' proposal for moving forward with this alliance, as well as the governance issues associated with the affiliated resignations of the current Board to make way for new appointments from these other associations.

Lori Parro called the meeting to order and Mr. Merrell began the discussion.

For background, Mr. Merrell introduced himself to the group and summarized his professional background that gave basis for his qualification to make a determination on the matter. Mr. Merrell stated that he was engaged to assist in looking through governance manners and moving forward. Mr. Merrell stated that he was chief counsel for RTI in the Research Triangle Park for 20 years (RTI is a \$850MM non profit) and also a current law instructor at Duke University, with primary focus on corporate governance as it relates to non-profit companies. For this reason, Mr. Merrell stated that he was well versed in these types of circumstances and the law which governs non-profit companies in these situations.

The following is a summary of the conclusions reached by Mr. Merrell as it relates to RYHA governance and the recent Executive Board mandate:

- Mr. Merrell gave an overview of the process of merger for corporate entities which would require work from, in this case, all 3 proposed companies (and their Board of Directors, both individually and collectively)..... describing how governance would work and the process of merger. This would include, but is not limited to, engagement of counsel, term sheets, business plans, group Board discussion and contracts review.
- He indicated that because the aforementioned steps were not done prior to requesting a vote to move forward with an undefined merger or alliance, that the motion to do so had no legal or binding effect.

In addition, the publicly announced decision by the Carolina Lightning to withdraw from any alliance or merger left the stated purpose for the 9Feb 2014 action of the Board as no longer relevant, further voiding the prior Board vote.

- As for the Board vacancies, Mr. Merrell informed us that the President and VP resignations that were mandated as a result of the 9Feb 2014 Board vote were also invalid as, per the existing RYHA bylaws, a resignation cannot be requested or forced by any other body than the electing group, in this case the RYHA member body. As a result, the resignations of David Wright as President and Andrew Thomas as VP of Fundraising are void and their positions restored to the Board. The delayed resignation of Lori Parro as VP of Finance was not an issue as it had not been submitted yet.
- The result of all of this information means that the Executive Board still stands as it stood with no change effective at this time.

The Board members all agreed and stated that the intended goal - a more unified hockey environment in Raleigh - would be a positive change and is preferred but only if done in a legal and proper manner, in accordance with existing bylaws and North Carolina law, and with all parties involved at the table in discussion.

Mr. Merrell indicated that next step beyond resetting the Executive Board of Directors is to re-write the RYHA bylaws, with restructure provisions and a stronger relationship to the North Carolina statute. The Board requested that his firm assist with that process. A revised bylaw document will be presented before the end of March, with follow-up approval by the RYHA member body. Among other things, current Board structure will be evaluated and perhaps expanded and/or roles changed. Mr. Merrell said that it is ok to add Board seats, even if they remain vacant.

Mr. Merrell inquired as to the insurance Directors and Officers liability coverage status for RYHA. He indicated that the current bylaws of the organization do not provide for indemnification of its officers, and that there is a reasonable personal risk associated with corporate moves, if confronted by its members. Although Lori Parro stated that she spoke with Skip Williams (of the SE Regional District) four years ago regarding the liability insurance provided as a USA Hockey affiliated organization, and that it was determined at the time that no additional insurance was needed. It was determined that additional insurance coverage for Directors and Officers should in fact be obtained. Mr. Merrell cautioned that in all cases the fiduciary duties of RYHA's Board members remain exclusively to RYHA with no outside party interest, unless condoned by the full Executive Board.

Mr. Merrell then stated that after the revised bylaws are in place, that pursuit of a potential alliance with other hockey groups would be feasible. He recommended a delegation of the current Board to engage in discussions, negotiate options and present the results back to the Executive Board for review. If it is desirable to move forward, then the aforementioned steps for merger or alliance would be followed.

Mr. Merrell asked if there were any further questions. There were none.

Meeting adjourned at approximately 5:00 pm.