

2017 Proposed By-Law Changes

BY-LAW CHANGES CATEGORY #1 - Prairie Club By-laws Relating to “Chairman” or “Chairmen”

Current By-laws:

The current By-laws refer to “Chairman” or “Chairmen”.

Proposed Changes to By-laws:

Replace “Chairman” or “Chairmen” with “Chair” or “Chairs” throughout the existing by-laws.

Rationale for Amendment:

The words “Chair” or “Chairs” are gender neutral.

BY-LAW CHANGES CATEGORY #2 - Prairie Club By-law Relating to Membership

Current By-law:

Article III. Membership.

Section 1. Application.

Any person 16 years of age or older may apply for voting membership to the Club upon the recommendation of two voting members and one member of the Membership Committee. The Membership Committee shall inform the general members of the names of applicants it recommends. The general membership shall have at least two weeks from the date of the mailing of the information to submit comments. After the comment period, the Club Board of Directors (“Board”) may elect the applicant to voting membership by a favorable vote of a majority of the Board.

Section 2. Dues and classes of Membership.

The Board shall determine dues and classes of membership. The Board may establish non-voting classes of membership.

Proposed Changes to By-law (additions underlined, deletions struck through, **bold added to highlight changes**):

Article III. Membership.

Section 1 (remains as in the original By-Law)

Section 2. Dues and Classes of Membership.

The Board shall determine dues and classes of membership. The Board may establish non-voting classes of membership.

As used herein in these By-laws:

(i) “member” shall refer to a voting or non-voting member;

(ii) “voting members” and “voting membership” shall refer to the classes of members eligible to vote;

(iii) “general members” and “general membership” shall refer to all classes of members collectively

The Proposed By-Law would read:

Article III. Membership

Section 1. Application.

Any person 16 years of age or older may apply for membership to the Club upon the recommendation of two voting members and one member of the Membership Committee. The Membership Committee shall inform the general members of the names of applicants it recommends. The general membership shall have at least two weeks from the date of the mailing of the information to submit comments. After the comment period, the Club Board of Directors (“Board”) may elect the applicant to voting membership by a favorable vote of a majority of the Board.

Section 2. Dues and Classes of Membership.

The Board shall determine dues and classes of membership. The Board may establish non-voting classes of membership. As used herein in these By-laws:

(i) “member” shall refer to a voting or non-voting member;

(ii) “voting members” and “voting membership” shall refer to the classes of members eligible to vote;

(iii) “general members” and “general membership” shall refer to all classes of members collectively.

Rationale for Amendment:

The current By-law refers to “member”, “general members”, “general membership”, “voting members” and “voting membership” (the classes of membership are described at the PC Website). The proposed amendments provide clarity on the meaning of each category of membership as used throughout the By-Laws.

BY-LAW CHANGES CATEGORY #3 - Prairie Club By-law Relating to Proxies at Member Meetings

Current By-law:

Article IV. Meetings of Members, Section 5

Section 5. Proxies. Each member entitled to vote at a meeting of the members may authorize another person to act for him or her by proxy, but no such proxy shall be valid after ninety days past the date of the vote for which it was originally provided. Proxies by voting members must be in writing and must be specific to the issue being voted.

Proposed Changes to By-law (additions underlined, deletions struck through, **bold added to highlight changes**):

Article IV. Meetings of Members. Section 5

Section 5. Proxies. Each member entitled to vote at a meeting of the members may authorize another **voting member** to act for him or her by proxy, but no such proxy shall be valid after **thirty ninety** days past the date of the **meeting vote** for which it was originally provided. Proxies by voting members must be in writing **and provided to the Club President prior to the meeting and must be specific to the issue being voted.**

The Proposed By-Law would read:

Article IV. Meetings of Members. Section 5

Section 5. Proxies. Each member entitled to vote at a meeting of the members may authorize another voting member to act for him or her by proxy, but no such proxy shall be valid after thirty days past the date of the meeting for which it was originally provided. Proxies by voting members must be in writing and provided to the Club President prior to the meeting.

Rationale for Amendment:

The amendment clarifies that a person acting as a proxy must be a voting member of the Club and that proxy authorization must be in writing and received prior to the meeting. It eliminates the requirement that a proxy for a voting member at a meeting of the members be specific to the issue being voted – that is, it provides for a general proxy by a member at a meeting of members.”

BY-LAW CHANGES CATEGORY #4 - Prairie Club By-law Relating to Finances and “audits”

Current By-law:

Article VIII Committees, Section 2. Standing Committees.

A. ...

B. The finance Committee shall supervise the Club finances. It shall bond all persons having access to the Club funds in an amount to be fixed by the Board, in some surety company licensed to do business in Illinois, the premium of which shall be paid by the Club. It shall supervise all Club insurance and make recommendations to the Board, shall certify all bills in excess of budget before payment, and prepare the annual budget. Each year this committee shall recommend a person or persons qualified to audit the books and accounts of the Treasurer, and shall submit the auditor’s report to the membership before the Annual Meeting.

Proposed Changes to By-laws: (additions underlined, deletions struck through, **bold added to highlight changes**)

Article VIII, Committees, Section 2

A. ...

B. The Finance Committee shall ~~supervise~~ oversee the Club finances and the preparation of an annual budget ~~It shall bond all persons having access to the Club funds in an amount to be fixed by the Board, in some surety company licensed to do business in Illinois, the premium of which shall be paid by the Club.~~ It shall also oversee ~~supervise~~ all Club insurance and make recommendations to the Board regarding same. ~~shall certify all bills in excess of budget before payment, and prepare the annual budget.~~ Each year this committee shall recommend a person or persons qualified to audit the books and accounts of the Treasurer, and shall submit the auditor’s report to the membership before the Annual Meeting. As promptly as possible after the end of each Fiscal Year, and no later than the Annual Meeting of each year, the Finance Committee shall cause to be prepared and delivered to the Board a full, detailed and complete set of consolidated financial statements of the Club, prepared in accordance with sound accounting principles, including a balance sheet and a profit and loss statement, together with the report of any internal audit of the financial statements. An independent audit of the books and accounts of the Club may be conducted upon the authorization of the Board.

The Proposed By-Law would read:

Article VIII, Section 2B

B. The Finance Committee shall oversee the Club finances and the preparation of an annual budget. It shall also oversee all Club insurance and make recommendations to the Board regarding same. As promptly as possible after the end of each Fiscal Year, and no later than the Annual Meeting of each year, the Finance Committee shall cause to be prepared and delivered to the Board a full, detailed and complete set of consolidated financial statements of the Club, prepared in accordance with sound accounting principles, including a balance sheet and a profit and loss statement, together with the report of any internal audit of the financial statements. An independent audit of the books and accounts of the Club may be conducted upon the authorization of the Board.

Rationale for Amendment:

Club finances, in accordance with the current by-laws, are overseen by the Board and managed by the Treasurer in conjunction with a standing Finance Committee. The total annual revenue of the Club is roughly \$400,000. The vast majority of the annual revenue comes from membership fees, operational assessments and rental fees, with direct donations averaging less than \$15,000 per year over the last seven years.

The Club maintains an insurance policy that covers employee theft as a better and more time and cost efficient alternative to obtaining "bonds".

The books and accounts are the Club's, not the Treasurer's, the proposed amendment clarifies this fact.

Obtaining an independent audit from a CPA on an annual basis is an expense that is not justified based on the overall revenues of the Club. For-profit and non-profit corporations with revenues greatly exceeding those of the Club operate without annual audited financial statements. An independent review will provide the benefits of an audit without the expense. If the Board believes an audit is necessary, it can authorize one at any time.

Further, Illinois statutes governing non-profits require an independent audit for non-profits that: i) receive \$300,000 or more in donations; or ii) that use a professional fund raiser and raise \$25,000 or more in donations. Neither situation applies to the Club.

BY-LAW CHANGES CATEGORY #5 - Prairie Club By-law Relating to Proxies at Hazelhurst and Spring Grove Siteholder Meetings

Current By-law:

Article VIII. Committees, Sections 4A and 4B

Section 4. Camp Committees. Camp Committees shall include Spring Grove and Hazelhurst.

A. The Hazelhurst Camp Council shall consist of eleven members. Six of the Council members shall be elected by the siteholders, two at each annual siteholders' meeting for three-year terms. The Chairman of the Buena Vista, Family Cottage, and Farmhouse Committees, appointed by the Board, the Hazelhurst Camp Chairman, elected by the siteholders, and the most recent available past Hazelhurst Camp Chairman shall be members of the Camp Council.

The Hazelhurst Camp Council shall make the rules and regulations of the Hazelhurst Camp, subject to the approval of the siteholders and the Board. A rule only slightly altered by amendments may be approved by the siteholders and forwarded to the Board for ratification; a rule whose intent is significantly altered by amendments, as defined by Robert's Rules of Order, shall be returned to the Camp Council, which will revise the rule and at a subsequent meeting resubmit the rule to the siteholders and the Board for final approval. Proxies by siteholders must be in writing and must be specific to the proposed rules. No proxy shall be valid after thirty days past the date of the vote for which it was originally provided. The Hazelhurst Camp Chairman shall appoint a Hazelhurst Operating Committee, which shall have general charge of the camp and be responsible for its control and maintenance. The Board shall be responsible for the provisions of Campsite Leasing Agreements.

B. The Spring Grove Camp Council shall consist of nine members. The Chairman and Co-Chairman of the Camp, House Maintenance, Grounds Maintenance, Pond, Equipment Maintenance, Publicity, Conservation and Activities Chairs make up the Spring Grove Camp Council. The Spring Grove Camp Council members shall be elected for three-year terms by the Spring Grove Site and Season Pass holders at the November siteholders' meeting. The Spring Grove Camp Council shall make the rules and regulations of the Spring Grove Camp, subject to the approval of the Spring Grove site and season pass holders and the Board. A rule only slightly altered by amendments may be approved by the siteholders and forwarded to the Board for ratification; a rule whose intent is significantly altered by amendments, as defined by Robert's Rules of Order, shall be returned to the Camp Council, which will revise the rule and at a subsequent meeting resubmit the rule to the siteholders and the Board for final approval. Proxies by siteholders must be in writing and must be specific to the proposed rule. No proxy shall be valid after thirty days past the date of the vote for which it was originally provided. The Spring Grove Camp Council shall also act as the camp Operating Committee, which shall have general charge of the camp and be

responsible for its control and maintenance. The Board shall be responsible for the provisions of campsite leasing agreements.

Proposed Changes to By-law (additions underlined, deletions struck through, bold added to highlight changes):

Article VIII. Committees, Sections 4A and 4B

Section 4. Camp Committees. Camp Committees shall include Spring Grove and Hazelhurst.

A. The Hazelhurst Camp Council shall consist of eleven members. Six of the Council members shall be elected by the siteholders, two at each annual siteholders' meeting for three-year terms. The ~~Chairs~~ **Chairman** of the Buena Vista, Family Cottage, and Farmhouse Committees, appointed by the Board, the Hazelhurst Camp ~~Chair~~ **Chairman**, elected by the siteholders, and the most recent available past Hazelhurst Camp ~~Chair~~ **Chairman** shall be members of the Camp Council. The Hazelhurst Camp Council shall make the rules and regulations of the Hazelhurst Camp, subject to the approval of the siteholders and the Board. A rule only slightly altered by amendments may be approved by the siteholders and forwarded to the Board for ratification; a rule whose intent is significantly altered by amendments, as defined by Robert's Rules of Order, shall be returned to the Camp Council, which will revise the rule and at a subsequent meeting resubmit the rule to the siteholders and the Board for final approval. Proxies by siteholders must be in ~~writing and must be specific to the proposed rules~~. No proxy shall be valid after thirty days past the date of the ~~meeting vote~~ for which it was originally provided. The Hazelhurst Camp ~~Chair~~ **Chairman** shall appoint a Hazelhurst Operating Committee, which shall have general charge of the camp and be responsible for its control and maintenance. The Board shall be responsible for the provisions of Campsite Leasing Agreements.

B. The Spring Grove Camp Council shall consist of nine members. The ~~Chair~~ **Chairman** and ~~Co-Chair~~ **Co-Chairman** of the Camp, House Maintenance, Grounds Maintenance, Pond, Equipment Maintenance, Publicity, Conservation and Activities Chairs make up the Spring Grove Camp Council. The Spring Grove Camp Council members shall be elected by the Spring Grove Site and Season Pass holders, three at each annual Siteholders' meeting, for three-year terms. The Spring Grove Camp Council shall make the rules and regulations of the Spring Grove Camp, subject to the approval of the Spring Grove site and season pass holders and the Board. A rule only slightly altered by amendments may be approved by the siteholders and forwarded to the Board for ratification; a rule whose intent is significantly altered by amendments, as defined by Robert's Rules of Order, shall be returned to the Camp Council, which will revise the rule and at a subsequent meeting resubmit the rule to the siteholders and the Board for final approval. Proxies by siteholders must be in writing ~~and must be specific to the proposed rule~~. No proxy shall be valid after thirty days past the date of the ~~meeting vote~~ for which it was originally provided. The Spring Grove Camp Council shall also act as the camp Operating Committee, which shall have general charge of the camp and be responsible for its control and maintenance. The Board shall be responsible for the provisions of campsite leasing agreements.

The Proposed By-Law would read:

Article VIII. Committees, Sections 4A and 4B

Section 4. Camp Committees. Camp Committees shall include Spring Grove and Hazelhurst.

A. The Hazelhurst Camp Council shall consist of eleven members. Six of the Council members shall be elected by the siteholders, two at each annual siteholders' meeting for three-year terms. The Chair of the Buena Vista, Family Cottage, and Farmhouse Committees, appointed by the Board, the Hazelhurst Camp Chair, elected by the siteholders, and the most recent available past Hazelhurst Camp Chair shall be members of the Camp Council. The Hazelhurst Camp Council shall make the rules and regulations of the Hazelhurst Camp, subject to the approval of the siteholders and the Board. A rule only slightly altered by amendments may be approved by the siteholders and forwarded to the Board for ratification; a rule whose intent is significantly altered by amendments, as defined by Robert's Rules of Order, shall be returned to the Camp Council, which will revise the rule and at a subsequent meeting resubmit the rule to the siteholders and the Board for final approval. Proxies by siteholders must be in writing. No proxy shall be valid after thirty days past the date of the meeting for which it was originally provided. The Hazelhurst Camp Chair shall appoint a Hazelhurst Operating Committee, which shall have general charge of the camp and be responsible for its control and maintenance. The Board shall be responsible for the provisions of Campsite Leasing Agreements.

B. The Spring Grove Camp Council shall consist of nine members. The Chair and Co-Chair of the Camp, House Maintenance, Grounds Maintenance, Pond, Equipment Maintenance, Publicity, Conservation and Activities Chairs make up the Spring Grove Camp Council. The Spring Grove Camp Council members shall be elected by the

Spring Grove Site and Season Pass holders, three at each annual Siteholders' meeting, for three-year terms. The Spring Grove Camp Council shall make the rules and regulations of the Spring Grove Camp, subject to the approval of the Spring Grove site and season pass holders and the Board. A rule only slightly altered by amendments may be approved by the siteholders and forwarded to the Board for ratification; a rule whose intent is significantly altered by amendments, as defined by Robert's Rules of Order, shall be returned to the Camp Council, which will revise the rule and at a subsequent meeting resubmit the rule to the siteholders and the Board for final approval. Proxies by siteholders must be in writing. No proxy shall be valid after thirty days past the date of the meeting for which it was originally provided. The Spring Grove Camp Council shall also act as the camp Operating Committee, which shall have general charge of the camp and be responsible for its control and maintenance. The Board shall be responsible for the provisions of campsite leasing agreements.

Rationale for Amendment:

The removal of the specificity requirement will facilitate the rule-making procedure at siteholder meetings. It eliminates the requirement that a proxy for a siteholder at a Hazelhurst siteholders' meeting or a siteholder at a Spring Grove siteholders' meeting be specific to the issue being voted – that is, it provides for a general proxy by a siteholder at a siteholders' meeting.

BY-LAW CHANGES CATEGORY #6 - Prairie Club By-law Relating to Real Property

Current By-law:

Article IX. Contracts, Checks, Deposits, and Funds

Section 6. Real Property.

No real property of the Club, including Hazelhurst Camp and Spring Grove Camp, shall be sold unless the proposal and terms of the transaction are first approved by two-thirds of the Board members of record. If approved by the Board, the proposal will be sent to the voting membership for approval. At a minimum, a majority of the Club voting members must respond with a letter ballot and two-thirds of those responding members must approve the sale for it to be final. If all or a portion of Hazelhurst Camp is sold, Hazelhurst Camp lessees, or such of them as desire to do so, shall have the right of first refusal to purchase the entire tract, or that portion thereof which the Club proposes to sell, at the same price and on the same terms as are offered by any other purchaser. If all or a portion of Spring Grove Camp is sold, Spring Grove Camp lessees, or such of them as desire to do so, shall have the right of first refusal to purchase the entire tract, or that portion thereof which the Club proposes to sell, at the same price and on the same terms as are offered by any other purchaser. The Prairie Club Board of Directors may authorize the purchase and mortgage of real property with the approval of two-thirds of the Board members of record. Mortgages, liens or encumbrances of existing Prairie Club Real Property shall be limited to a total of \$1,000,000, in the year 2014. In subsequent years, such mortgages, liens, or encumbrances shall not exceed \$1,000,000 adjusted by the cumulative change in the annual average Consumer Price Index for all urban consumers (CPI-U), as published by the federal Bureau of Labor Statistics. Mortgages, liens or encumbrances in excess of \$1,000,000 plus any CPI-related adjustment, must first be approved by two-thirds of the board members of record. If approved by the Board, the proposal will be sent to the voting membership for approval. At a minimum, a majority of the Club voting members must respond with a letter ballot and two-thirds of those responding must approve the Mortgage agreement.

Proposed Changes to By-law: Section 6 would be replaced in its **entirety** and would read as follows:

Article IX. Section 6. Real Property.

A. Hazelhurst

The Club owns the real property known as 13430 Prairie Road, Harbert, Michigan 49115, located in Section 9, Township 7 South, Range 20 west, Chikaming Township, Berrien County, Michigan and referred to as "Hazelhurst", "Camp Hazelhurst", or "Hazelhurst Camp".

Unless approved by written ballot of at least two-thirds of activated Hazelhurst Sites (one vote per site), the Club shall not:

- 1) sell, convey, exchange, transfer, lease (other than by its Siteholders lease), encumber, mortgage, pledge for security or otherwise dispose of any portion of the real estate referred to as Hazelhurst;**
- 2) establish paths, roads, water lines, sewer lines or other utilities adjacent to, in, or upon Hazelhurst;**
- 3) increase or decrease the present number of active or inactive Sites or the number of its rental facilities in Hazelhurst;**

- 4) construct any new buildings or other structures in Hazelhurst; and/or
- 5) cease to reserve and maintain all of the area designated and marked "Reserved for Club Use" on Plat No. 1 (and comprising substantially the beach and beach slope of the tract covered by said plat) for the general use of the Club and its members.

No portion of Hazelhurst shall be sold or mortgaged unless the proposal and terms of the transaction are first approved by at least two-thirds of the members of the Board and by at least two-thirds of activated Hazelhurst Sites (one vote per site), then approved by the voting membership (by means of a majority of the voting members of the Club responding with a letter ballot and two-thirds of those responding voting for it to be authorized).

B. Spring Grove

The Club owns the real property known as 3716 N US-12 Spring Grove, IL 60081, located in information from property records, and referred as "Spring Grove" or "Spring Grove Camp". No portion of Spring Grove shall be sold or mortgaged unless the proposal and terms of the transaction are first approved by at least two-thirds of the Board and by at least two-thirds of activated Spring Grove Sites (one vote per site), then approved by the voting membership (by means of a majority of the voting members of the Club responding with a letter ballot and two-thirds of those responding voting for approval). If all or a portion of Spring Grove Camp is to be sold, Spring Grove Camp lessees, or such of them as desire to do so, shall have the right of first refusal to purchase the entire tract, or that portion thereof which the Club proposes to sell, at the same price and on the same terms as are offered by any other purchaser.

C. Other Real Property

No other real property shall be shall be purchased, sold, or mortgaged unless the proposal and terms of the transaction are first approved by at least two-thirds of all the members of the Board, then approved by the voting membership (by means of a majority of the voting members of the Club responding with a letter ballot and two-thirds of those responding voting for it to be authorized).

Rationale for Amendment:

Section 6A of the proposed amendment provides a definition for "Hazelhurst", as used throughout the By-Laws but not currently defined and incorporates the protections agreed upon between the Club and siteholders in the current 10-year Site Lease Agreement.

Section 6B of the proposed amendment provides a definition for "Spring Grove", as used throughout the By-Laws but not currently defined and continues the protections provided to siteholders in the current By-Laws.

Section 6C of the proposed amendment would require that members approve the purchase and mortgage of any new real property, in addition to the Board. The rewritten language provides clarity to the members and Board on the steps to be followed should a situation arise where the Club has an interest in acquiring, mortgaging or selling real property. The removal of the \$1,000,000 limit on transactions is warranted based on the safeguards provided by the proposed amendment and the current working relationship between the Club and Hazelhurst, and the Club and Spring Grove.