



October 15, 2020

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## SUMMARY OF PROPOSED BYLAWS AMENDMENT

### I. Introduction

Your Board believes that the existing Bylaws governing the level of accounting examination for the financial reports of the Club and the procedures for voting at the Annual Meeting need to be revised.

Article IX Section 1 of the Clubs Third Amended and Restated Bylaws Dated November 26, 2019 (the "Bylaws") provide that the "Directors of the Club shall have the power to enact, amend or revise the Bylaws of the Club, provided that such enactment, amendment or revision shall be reasonable and not conflict with the Articles of Association. Any enactment or changes referred to above shall be passed upon and approved by the membership at their next regular or special meeting, by a majority of the members present."

### II. Proposed Changes

#### **Accounting Examination**

The current Bylaws provide, at Article VII, Sections 4 and 9 that:

**Section 4: Treasurer:** The Treasurer shall be responsible for assuring that the Club maintains appropriate financial records, accounts, and controls; the Treasurer shall, at each monthly meeting of the Board, make a statement of the financial condition of the Club, and, at the Annual Meeting of the Club, submit a detailed report, audited by an independent Certified Public Accountant, of the financial transactions of the Club for the preceding fiscal year. The Treasurer shall also perform such other duties as may be assigned to him/her by these Bylaws or the Board of Directors.

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**Section 9: Audits:** The financial reports of the Club shall be audited annually by a Certified Public Accountant selected by the Board of Directors, and a report of such audit shall be submitted at each Annual Meeting of the membership.

Audits are the most comprehensive and most expensive form of accounting examination. Your Board believes that the current Bylaws should be amended to allow your Board of Directors to establish the level of examination for the company's financial reports.

Proposed Change:

Your Board of Directors proposes an amendment to Article VII, Sections 4 and 9 of the Club Bylaws as follows (changes shown in red lined format):

**Section 4: Treasurer:** The Treasurer shall be responsible for assuring that the Club maintains appropriate financial records, accounts, and controls; the Treasurer shall, at each monthly meeting of the Board, make a statement of the financial condition of the Club, and, at the Annual Meeting of the Club, submit a detailed report, ~~audited-examined~~ by an independent Certified Public Accountant, of the financial transactions of the Club for the preceding fiscal year. The Treasurer shall also perform such other duties as may be assigned to him/her by these Bylaws or the Board of Directors.

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**Section 9: ~~Audits~~Financial Examination:** The financial reports of the Club shall be ~~examined~~~~audited~~ annually by a Certified Public Accountant selected by the Board of Directors, and a report of such ~~audit~~~~examination~~ shall be submitted at each Annual Meeting of the membership. The level of examination, whether by audit or review, shall be at the discretion of the Club's Board of Directors.

This change that would allow the Board to select an accounting review instead of an audit which could potentially save the Club thousands of dollars a year in accounting fees. Your Board of Directors unanimously recommends the Club's adoption of this proposed Bylaws amendment.

### Voting

The current Bylaws provide, at Article VI, Section 3 that:

**Section 3: Voting:** Elections shall be by secret ballot on a form approved by the judges of election for such purpose. Each voting member shall plainly identify the name of each candidate for whom he/she votes, and only the judges of election shall count the ballots. No ballot shall be counted unless deposited by the voting member in a designated ballot box prior to the meeting or delivered to the Club prior to the meeting as set forth in Article IV, Section 1. No member who is under suspension shall be entitled to vote.

Your Board of Directors proposes an amendment to Article VI, Section 3 of the Club Bylaws as follows (changes shown in red lined format):

**Section 3: Voting:** Elections shall be by secret ballot on a form approved by the ~~judges of election~~Board of Directors for such purpose. Each voting member shall plainly identify the name of each candidate for whom he/she votes, and only the judges of election shall count the ballots. ~~NEach member shall have no more than one vote and no~~ ballot shall be counted unless:

- a. ~~D-~~deposited by the voting member in a designated ballot box prior to the

meeting or delivered to the Club prior to the meeting as set forth in Article IV, Section 1; or

- b. Delivered by e-mail to the address and using the ballot found in the Member's Section of the Club website (<https://huronriverclub.com>) and returned no later than 4:00 pm on the date of the Annual Meeting, or in such other manner that be approved unanimously in writing by the Board of Directors from time to time that promotes a member's right to vote while protecting the integrity of the voting process. The e-mail address used shall only be accessible by the immediate past President of the Club who shall deliver of list of those voting by e-mail and the manner of votes cast for each item for vote to the judges of the election.-

Under either manner of voting, no member who is under suspension shall be entitled to vote.

This change will authorize the Board to conduct the election process in such a manner as to allow members unable to either attend the Annual Meeting or vote in person at the Club on the election day to participate in Club business by voting electronically. Your Board of Directors unanimously recommends the Club's adoption of this proposed Bylaws amendment.