

BUTTERFIELD HOMEOWNERS ASSOCIATION

PROPOSED CHANGES TO BHA BY-LAWS

In accordance with Article IX, Section 1 of the Butterfield Homeowners Association by-laws, here is a list of proposed changes to the by-laws that will be discussed and voted upon at the next regular meeting of the Butterfield Homeowners Association on July 16th, 2014. These amendments are being proposed by Doug Elwell, President, Connie Poulos Loos, Vice President, Bob Garstki, Treasurer, and Gloria Atkins, Secretary. The current "old" version is on the left-hand side of every page, and the new version with the proposed amendments is on the right-hand side of every page. Modified and new text is indicated in the new text on the right-hand side of the page in the color red, in bold typeface. Text removed from the old version and not replaced in the new version is marked in the color red, in bold typeface, on the left-hand side of the page.

Current Version (2009):

Changes to the Declaration:

This declaration made this 17th day of December, 2009, by the Butterfield Homeowners Association, a corporation, organized under the General Not-For-Profit Act of the State of Illinois, supersedes the declaration made on the 21st day of December, 2006 and shall be considered the rules and regulations governing the actions of the Association.

Changes to Article I:

ARTICLE I: ORGANIZATION

Section 4. FISCAL YEAR

The fiscal year shall commence on the first day of January each year, and shall be the same for all record keeping purposes, including the accrual and collection of dues and the budget of the Association.

Changes to Article II:

ARTICLE II

SECTION 2. Membership in Good Standing

Membership in good standing in the Association is contingent upon the payment of dues each fiscal year. Such membership shall consist of owners, or as tenants of such home. Owners of homes within the subdivision, but residing elsewhere, shall also be entitled to membership. No more than two persons at one home may hold membership by payment of the annual dues.

Section 3. TRANSFER OF MEMBERSHIP

Proposed Version (2014):

Changes to the Declaration:

This declaration made this **16th day of July, 2014**, by the Butterfield Homeowners Association, a corporation, organized under the General Not-For-Profit Act of the State of Illinois, supersedes the declaration made on the **17th day of December, 2009** and shall be considered the rules and regulations governing the actions of the Association.

Changes to Article I:

ARTICLE I: ORGANIZATION

Section 4. FISCAL YEAR

The fiscal year shall commence on the first day of January each year, and shall be the same for all record keeping purposes, including **membership, the collection of dues** and the budget of the Association. **The method of accounting shall be on a cash basis, not accrual.**

Changes to Article II:

ARTICLE II

SECTION 2. **Membership** in Good Standing

Membership in good **standing** in the Association is contingent upon the payment of dues each fiscal year. **Dues for that fiscal year must be paid by March 31st of that same fiscal year, or membership will automatically be considered lapsed. Membership shall be limited to homeowners, not renters or non-owner tenants, of any home in Butterfield. Owners of homes whose permanent residence is not in Butterfield are still entitled to membership. No more than two persons owning any one home together may hold membership at one time.**

Section 3. TRANSFER OF **MEMBERSHIP**

Changes to Article VI:

ARTICLE VI MEETINGS

SECTION 6. TIME AND PLACE OF MEETING

The Executive Board may designate any place for the meetings within a reasonable distance from the area represented by the Association. All meetings will commence at 7:30 unless due notice is given to the contrary.

SECTION 7. AGENDA

An Agenda shall be prepared by the Executive Board. The Order of Business at all meetings except Special Meetings will be as follows:

- Call to Order
- Reading of Minutes
- Treasurer's Report
- Bills
- Correspondence
- Reports of the Executive Board
- Announcements
- Unfinished Business
- New Business
- Adjournment

Changes to Article VII:

ARTICLE VII ORGANIZATION

SECTION 2. DUTIES [a, d and f only]

(a) PRESIDENT: The duties of the President in general shall be as follows: To open the meeting at the designated time; To announce the business before the assembly in the order in which it is to be acted upon; To recognize members entitled to the floor and non-members for discussion; To state and to put to vote all questions which are regularly moved or necessarily arise in the course of the proceedings and to announce the results of the vote; To protect the assembly from any annoyance or foolish or dilatory motions by refusing to recognize them; to appoint all committees except the nominating committee; To carry out all other duties as outlined in Article 10, paragraph 58 of Roberts Rules of Order. The President shall be an ex-officio member of all committees except the nominating committee.

Changes to Article VI:

ARTICLE VI MEETINGS

SECTION 6. TIME AND PLACE OF MEETING

The Executive Board may designate **any time and place** for the meetings within a reasonable distance from the area represented by the Association, **at a time which is convenient for the majority of the membership.**

SECTION 7. AGENDA

An agenda shall be prepared by the Executive Board, **which they shall use as a guide for the order of business for each meeting. The agenda for all meetings, except Special Meetings, should contain at least the following subjects, in order:**

- **Call to Order**
- **Pledge of Allegiance**
- **Presentation of Minutes**
- **Reports**
- **Unfinished Business**
- **New Business**
- **Adjournment**

Changes to Article VII:

ARTICLE VII ORGANIZATION

SECTION 2. DUTIES [Changes to a, d and f only]

(a) PRESIDENT: The duties of the President in general shall be as follows: To open the meeting at the designated time; To announce the business before the assembly in the order in which it is to be acted upon; To recognize members entitled to the floor and non-members for discussion; To state and to put to vote all questions which are regularly moved or necessarily arise in the course of the proceedings and to announce the results of the vote; to protect the assembly from any annoyance or foolish or dilatory motions by refusing to recognize them; to appoint all committees except the nominating committee; to carry out all other duties **of the President as outlined in the latest edition of Roberts Rules of Order.** The President shall be an ex-officio member of all committees except the nominating committee, **and will be responsible for all decision-making duties not explicitly given to the other officers. It is also the President's responsibility to help the other officers to accomplish their given tasks as needed, and/or appoint other members to help them if they are unable to complete their tasks in a timely fashion.**

(d) TREASURER: The Treasurer will maintain records of funds received, deposited, and disbursed. The treasurer shall submit a financial report at each regular Association meeting. This report shall be submitted in a spreadsheet showing a month to month transactions and available at each regular meeting as well as the Newsletter. The records of the Treasurer shall be made available as outlined in Section 4, Article 1. The Treasurer shall be bonded.

(f) DIRECTORS: In addition to other duties, the President, Vice-President, Treasurer, Secretary **and past President** shall serve as Directors of the Association.

SECTION 3. ELECTION: QUALIFICATION AND TERM OF OFFICE.

(a) The officers of the association shall be resident members and shall be elected annually by the membership at its annual meeting. The President shall fill vacancies by appointment, subject to approval by the Association at the next regular meeting. Each officer shall hold office for one year, or with a maximum of three years, or until his successor is elected and installed at the first regular meeting subsequent to the election. In the event that the office of President and Vice President become vacant, the remaining Board members will appoint a President. This action must be approved by the membership at the next regular meeting.

(b) The Executive Board shall submit a budget of projected receipts and expenditures for the upcoming fiscal year at the first meeting of the year for consideration and approval of the members of the Association. **The budget shall be included in the Newsletter published prior to the meeting. No non-budget expenditure shall be made by the Executive Board without the approval of the Association members.**

(d) TREASURER: The Treasurer will maintain records of funds received, deposited, and disbursed. The Treasurer shall submit a financial report at each regular Association meeting. This report shall be submitted in a **format showing all transactions, as well as income, expenses, and account balances. This report will be presented at each regular meeting, and also published. The records of the Treasurer shall be made available as outlined in Article I, Section 3.** The Treasurer shall be bonded.

(f) DIRECTORS: In addition to other duties, the President, Vice-President, Treasurer, **and** Secretary shall serve as sole Directors of the Association.

SECTION 3. ELECTION: QUALIFICATION AND TERM OF OFFICE.

(a) The officers of the association shall be resident members and shall be elected annually by the membership at its annual meeting. The President shall fill vacancies by appointment, subject to approval by the Association at the next regular meeting. Each officer shall hold office for one year, **with no term limits. This rule begins with the board in place as of the revision of this bylaw, July 16th, 2014, and is not retroactive to previous board members.** In the event that the office of President and Vice President become vacant, the remaining board members will appoint a President. This action must be approved by the membership at the next regular meeting.

(b) The Executive Board shall submit a budget of projected receipts and expenditures for the upcoming fiscal year at the first **regular** meeting of the year for consideration and approval **by a simple majority vote** of the members of the Association. **A copy of the budget must be published and mailed to all members in good standing at least one week prior to that meeting.**

(c) The Executive Board was elected by the membership to execute upon the will of the membership as their official representatives. As such, it is the sole responsibility of the the Executive Board to make decisions regarding how to spend the funds approved for spending by the membership if such spending is not specifically described in the approved budget. Approval of the membership is not required for any purchase, or payment of any bill, though it is recommended that the Executive Board seek out approval for individual expenditures that exceed more than

10% of the total annual budget. Exception: The Executive Board may not spend more than 50% of any line item in the budget on any single expenditure without approval by simple majority vote by the membership at a regular meeting, unless that expenditure was specified in the approved budget. (d) The budget shall be considered a “living document” that is not meant to represent an exact amount, but an estimate of the amount of money that will be needed to be expended during the year. As such, the budget should be carefully crafted to allow for unknown, unforeseen, or forgotten expenses. The board also has the option to exceed the maximum budgeted amount for any given line item in the budget by up to 10%, or \$200, whichever is greater, without requiring approval by the membership to increase the budgeted amount. However, all additional spending of that nature for any given fiscal year must not exceed more than 10% over the total annual budget without the approval of the membership by a simple majority vote at a regular meeting. The board also has the option to include in the budget a “Miscellaneous” line item that can be used to cover unforeseen emergency needs, or bills based upon previous agreements that were not accounted for during the budgeting process. Funds can be freely transferred from this Miscellaneous line item for use with any other line item in the approved budget in order to cover line item(s) that would otherwise exceed their budgeted amount(s). In either case, any “Miscellaneous” or similarly non-specific budget line item cannot exceed 10% of the total budget for that fiscal year.

(e) In the interim period between the end of the previous fiscal year and the approval of the new budget for the current fiscal year, the Treasurer shall continue to pay for bills based upon agreements that pre-exist the current fiscal year, and is responsible to make sure that such bills are accounted for in the estimating process for the budget for the current fiscal year. This includes recurring expenses for necessary items such as the printed newsletter, the website, government, legal, emergency, and all other fees and expenditures that are required for the continuance of the Association or for its regular, required duties.

SECTION 4. EXECUTIVE BOARD

The Executive Board shall consist of the elected officers for the current year President, Vice President, Treasurer, Secretary **and the immediate past-President.**

SECTION 6: SPECIAL COMMITTEES

Special committees may be appointed by the President during the course of the normal transaction of business, or when so directed by the Association.

Changes to Article VIII:

ARTICLE VIII: CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS

The Executive Board of the Association must authorize any officer or officers, agent or agents of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association provided that any authority given to any agent or agents be given in writing for specific instances or by approval of the general membership at a meeting.

SECTION 2. CHECKS, DRAFTS, ETC.

Any checks, drafts or other orders for non budget expenses, for the payment of money notes or other evidence of indebtedness issued in the name of the Association shall be signed by the Treasurer and any two or three members of the Executive Board to be designated by the Board.

SECTION 7. AUDITING

The annual audit of the books and records of the Associ-

SECTION 4. EXECUTIVE BOARD

The Executive Board shall consist only of the elected officers for that year: President, Vice President, Treasurer, **and** Secretary.

SECTION 6: SPECIAL COMMITTEES

Special committees may be appointed by the President **at his discretion, or when so directed by the Association by a 2/3 majority vote.**

Changes to Article VIII:

ARTICLE VIII: CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS **& AGREEMENTS**

The Executive Board of the Association **has been elected to solely represent the membership and carry out the will of the membership as regards any contract or agreement. Whether a formal contract or an informal agreement, the Executive Board must authorize any and all agent or agents of the Association to enter into any contract or agreement in the name of and/or on behalf of the Association in writing prior to the start of that contract or agreement. The President must be part of that approval process. Approval by the membership is not required for the authorization of any contract or agreement.**

SECTION 2. CHECKS, DRAFTS, ETC.

Any checks, drafts or other orders for non budget expenses, for the payment of money notes or other evidence of indebtedness issued in the name of the Association **need be approved only by the Treasurer unless that payment exceeds 10% of the total annual budget, or \$500, whichever is less. Payments that exceed that amount must be co-signed or approved of in writing by the President or Vice President prior to payment being submitted. In order to provide oversight, the President shall also have access to all accounts and the Treasurer must provide detailed reports to the President on demand, up to 12 per year, no longer than one week after the request is made, unless the President agrees to a delay in writing.**

SECTION 7. AUDITING

The annual audit of the books and records of the Associ-

ation shall be made by an auditing committee consisting of at least two members. The audit shall take place prior to the first meeting of the year, with a complete report published in a Newsletter prior to that meeting. The members of 8 this committee are to be solicited from the floor at the fall meeting. (If more than two volunteers, the chair does in fact both select and appoint the committee.)

ation shall be made by **a professional accounting firm, by personnel from that firm who are not residents, or friends, relations, or in any way associated with residents, of Butterfield. The decision of which firm to hire must pass a simple majority vote by the membership at a regular meeting prior to June 30th of the fiscal year following the fiscal year to be audited. The audit must be completed and presented as part of Unfinished Business at a regular meeting prior to October 31st of the following fiscal year, with a complete report published and mailed to all members in good standing at least three days prior to that meeting.**

If the Association is in such a financial state that it cannot afford to have an audit done by a professional accounting firm, the annual audit of the books and records of the Association may be made by an auditing committee consisting of at least two unrelated members. If there are more than two volunteers for the committee, or if there is a perceived or actual conflict of interest with one or both of the two members, as determined by the chair, the chair has the option to select who will serve on the committee from the membership.

New Article: Article IX

ARTICLE IX: MEMBER DISCIPLINE

All rules regarding member discipline are to follow the latest edition of Robert's Rules of Order, except as determined by the membership by a 2/3 majority vote at a regular meeting. All votes of a disciplinary nature also require a 2/3 or greater majority to be approved. Robert's Rules of Order regarding member discipline otherwise supercede all other rules regarding membership to be found in these by-laws.

Changes to Article IX:

ARTICLE IX: AMENDMENTS TO BY-LAWS

The By-Laws may be altered, amended, or repealed and new BY-Laws may be adopted by a two-thirds vote of the members voting on the alteration amendment or repeal, provided that written notice (in accordance with Section 1, Article IX) is given of the intention to alter, amend or repeal, or to adopt new By-laws at such meeting.

Changes to Article IX:

(ARTICLE IX IS NOW RENUMBERED AS ARTICLE X)

ARTICLE X: AMENDMENTS TO BY-LAWS

The decision to alter, amend, create or repeal any by-law must pass a 2/3 majority vote at a meeting prior to the designated meeting at which the proposed changes to the by-laws are to be discussed and voted upon. The voting based upon that decision must then take place at the next regular meeting. Written notice (in accordance with Article X, Section 1) of the intention to alter, amend or repeal one or

more by-laws, or to adopt new by-laws, must then be published and mailed to all members in good standing at least seven days prior to that meeting. Any by-laws that are altered, amended, new or repealed may only be adopted at the meeting by a 2/3 vote of the members in attendance at that meeting.

SECTION 1. PROCEDURES

The procedure for submitting an amendment shall be:

- (a) Any proposed amendment must be submitted in writing to the secretary at the time a motion is made.
- (b) Notice of the meeting at which the proposed amendment is to be voted upon must include the proposed amendment and, if applicable, the Article or Section which it is intended to amend.

The Butterfield Homeowners Association shall be subject to these By-Laws as presented and amended. Any points not covered herein shall be covered by Roberts Rules of Order or prior precedents.

SECTION 1. PROCEDURES

The procedure for submitting an amendment shall be:

- (a) Any proposed amendment must be submitted in writing to the secretary **prior to the meeting.**
- (b) Notice of the meeting at which the proposed amendment is to be voted upon must include the proposed amendment and, if applicable, the Article or Section which it is intended to amend. **This meeting notice must be published and mailed to all members in good standing at least one week prior to that meeting.**

The Butterfield Homeowners Association shall be subject to these by-laws as presented and amended. **These by-laws supercede Robert's Rules.** Any points not covered herein shall be covered, **in order, by 1) prior, documented Butterfield Homeowners Association precedents, then 2) Robert's Rules of Order. Points disputed or not covered by any of the previous shall be determined, in order 1) by the President, or 2) by the membership by a 2/3 majority vote. A 2/3 majority vote may also be used to override the President's decision on any disputed or unclear points.**

Additional Changes:

The updated by-laws will be saved as an electronic document, preferably a PDF, and posted on the website. The format and location of the updated by-laws must be legible and accessible. Any member may also request that a single printed copy of the by-laws be sent to their Butterfield address at BHA expense. This process must be undertaken any time the by-laws are altered in any way. Exception: Correction of spelling errors in the by-laws may be made wherever they exist in the by-laws without formal notice, as long as the meaning of the by-laws is not altered in the process. Changes for grammatical errors must go through the normal approval process, lest the meaning be altered by those changes.

[END CHANGES]