

Proposed Bylaws Changes to be voted on during the Fall 2011 General Membership Meeting

Proposal #1: During the fall of 2010 the Membership overwhelmingly indicted, by petition, that RLI should renew its expiring charter with the state of Michigan for another 30 years. Upon submission to the state of our application to extend the charter, the state of Michigan notified us they had on file a perpetual corporation amendment to our articles of incorporation dating back to November of 1979. This change was not properly recorded in the recitals section of our bylaws, therefore we need to amend the recitals section of our bylaws to read:

“Whereas, on November 29, 1979, *an* election was held, in accordance to subsection (2) of Section 122, Act 327, Public Acts of 1931, as amended, during which the Articles of Incorporation were amended to change the corporate term to Perpetual, and said amendment was duly filed by the Michigan Department of Commerce on December 7, 1979. The Members voted in all respects to maintain the authority of the corporation over the lands described above which are in and about Runyan Lake.”

This change will allow our bylaws to match our corporation records on file with the state of Michigan. The RLI Board recommends a vote of YES to this proposed bylaws amendment.

Proposal #2: As a result of changes to financial regulations and the oversight of financial professionals it has become increasingly difficult to obtain a minor review of the RLI financial records by a financial professional or company at the historical low cost this service has been provided. In an effort to avoid costly annual full auditing fees, quoted on average at \$5,000.00, as discussed during the Spring General Meeting, it is proposed Section 2.05.(c) be amended to allow the membership to appoint a 3 person committee to review RLI's financial records and report to the membership if they believe the records are satisfactory, or if a further audit is required. It is therefore proposed the bylaws be amended as follows:

Revise Section 2.05.(c) to read: “At the end of the fiscal year, if approved by the Membership during a General Membership Meeting as set forth in Section 3.05, the Treasurer shall be responsible for securing the services of a state certified public accountant, or auditor, to issue a letter of opinion regarding RLI financial report conformity with generally accepted accounting practices. This can be in the form of an audit or lesser review.”

New Section 3.05 to read: “Audit of Corporate Finances

The finances of the Corporation shall be reviewed annually as directed by majority vote of the Membership during a General Membership Meeting. The Membership shall vote to select one of the following financial review methods:

- (a) The Membership shall appoint a 3 person Financial Committee made up of Members in good standing, with no two (2) committee members being related, to review the financial records of the Corporation, with support from the Treasurer. The committee shall report its findings during the next General Membership Meeting. The Membership shall at that time either accept the findings of the Financial Committee or direct the Board, by majority vote of the Membership, to perform a financial review as specified in Section 3.05.(b); OR
- (b) The Treasurer shall secure the services of a state certified public accountant, or auditor, to issue a letter of opinion regarding RLI financial report conformity with generally accepted accounting practices. This can be in the form of an audit or lesser review.”

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