

COPY

BY-LAWS
OF
RICE LAKE AREA ASSOCIATION, INC.

This instrument constitutes the By-laws of Rice Lake Area Association, Inc., adopted for the purpose of regulating and managing the internal affairs of said corporation.

ARTICLE I.

Corporate Seal

Section 1. The corporation shall have no seal.

ARTICLE II.

Corporate Purpose

Section 2. The purpose of this corporation is to promote the general social welfare by preserving, beautifying and maintaining the public waters in the Rice Lake Area. In addition, the purpose of the corporation is to educate the general public in how their actions may injure the environment and to inform the public how certain actions will improve and preserve our natural resources.

ARTICLE III.

Membership & Dues

Section 3.1 The membership of the corporation shall consist of four classes.

Section 3.1.1 Lakeshore Membership. Lakeshore membership shall consist of individual persons or families residing on the shoreline of Rice Lake having an interest in the improvement and preservation of the public waters in the immediate area of Rice Lake and Elm Creek and have paid their current annual dues.

Section 3.1.2 Elm Creek Shoreline Membership. Elm Creek Shoreline membership shall consist of individual persons or families residing on the shoreline of Elm Creek having an interest in the improvement and preservation of the public waters in the immediate area of Rice Lake and Elm Creek and have paid their current annual dues.

Section 3.1.3 Lakeview and Creekview Membership. Lakeview or Creekview membership shall consist of individuals, families, or businesses with a view of Rice Lake or Elm Creek or which are in the immediate vicinity of Rice Lake or Elm Creek, and

have an interest in the improvement and preservation of the public waters in the immediate area of Rice Lake and Elm Creek and have paid their current annual dues.

Section 3.1.4 Friends of the Rice Lake Area. Individuals, families and businesses having an interest in the improvement and preservation of the public waters in the immediate area of Rice Lake and Elm Creek and have paid their current annual dues. Membership as a Friend of the Rice Lake Area shall be non-voting.

Section 3.1.5 Associations. Homeowner Associations and Common Interest Communities may become a member of the Corporation upon payment of annual dues and when it has an interest in the improvement and preservation of the public waters in the immediate area of Rice Lake and Elm Creek. Form of membership shall be determined under the criteria of Sections 3.1.1 through 3.1.4 herein. A Homeowners Association can be eligible for more than one vote upon paying more than one times the amount of the Board designated membership dues.¹

Section 3.1.6 Membership Registration. Each member shall register with the Secretary of the Association in writing, identifying the name and address of the member, the address at which the member desires to receive notice of any meeting of the membership and if there are multiple family members in a membership, the name of the individual authorized to cast the vote as a member. The member shall have a continuing obligation to advise the Association of any changes in the registration information.

Section 3.2 Voting.

Section 3.2.1 Entitlement. Each membership is entitled to one vote, notwithstanding there may be more than one family member in a membership, except as provided in Section 3.1.5. In the event a Homeowners Association has a block of more than one vote pursuant to Section 3.1.5 herein, an authorized representative of the Homeowners Association shall advise the Corporation who has the authority to cast the vote(s). If the Homeowners Association is unable to agree as to who shall cast the vote(s) or fails to register pursuant to Section 3.1.6, the vote(s) shall not be cast.

Section 3.2.2 Authority. At any meeting of the membership, a member included on the voting register presented by the Secretary, or the holder of such membership proxy, shall be entitled to cast the vote.

Section 3.2.3 Voting by Proxy. A member may cast its vote by written proxy naming another person entitled to act on the member's behalf and delivering the same

¹ Example: Homeowners Association is categorized as "Lakeview" and the Board has designated the annual dues for this classification in the amount of \$50.00. In the event the Homeowners Association pays the sum of \$500.00 as membership dues, it is entitled to exercise 10 votes at a membership meeting.

to the Secretary before the commencement of the meeting. All proxies granted shall remain in effect until the earliest of the following events:

- (1) Revocation by the granting member by written notice or by personally attending and voting at the meeting.
- (2) Eleven (11) months after the date of the proxy unless otherwise provided in the proxy.
- (3) The time at which the granting member is no longer a member.

Section 3.2.4 Transfer of Membership. Membership in the Association may be transferred as part of the transfer of ownership in a dwelling or business.

Section 3.3 Term. The term of membership shall be for one year and shall be memorialized on the Register of Membership.

Section 3.4 Membership Dues. The amount of individual and/or organizational membership dues for each classification under Section 3.1 shall be determined annually by the Board of Directors. Approved membership dues shall be paid on or before the date of the Annual Meeting to be eligible to vote at the Annual Meeting.

Section 3.5 Meetings of Membership.

Section 3.5.1 Annual Meeting. The Annual Meeting of the members of the corporation shall be held each year on or before May 15. Any person, business or organization is welcome to attend the Annual Meeting.

Section 3.5.2 Special Meetings. Special meetings of the members may be called at any time for any purpose by (a) the President, (b) a majority of the Board of Directors, or (c) one-third of the members. A person entitled to call a special meeting may make a written request to the President, Vice President or Secretary to call the meeting. Such officer shall give notice of the meeting to be held within 30 days after receiving the request. If the officer fails to give notice of the meeting within 7 days from the date on which the request is made, the person who requested the meeting, may call the meeting fixing the time and the manner provided by these by-laws and giving notice thereof. Any person, business or organization is welcome to attend a special meeting.

Section 3.5.3 Place of Meeting. Meetings of the members shall be held at any place within the State of Minnesota, designated by the Board of Directors and, in the absence of such designation, shall be held at the registered office of the corporation.

Section 3.5.4 Notice of Meeting. Notice of every annual and every special meeting, stating the time, place and purpose thereof, shall be mailed to each member not less than 5 and not more than 60 days before the meeting. Whenever, under the provisions of these By-laws notice is required to be given to a member, it shall be

construed to require personal notice, but such notice may be given in writing, by mail, by depositing in a post office or letter box within the State of Minnesota, postage prepaid, addressed to such member at his or her last known address.

Section 3.5.5 Quorum Requirements. Unless otherwise provided by law or by these By-laws, a quorum for a meeting of members is 10 percent of the members entitled to vote at the meeting. If a quorum has been present at a meeting and members have withdrawn from the meeting so less than a quorum remains, the members still present may continue to transact business until adjournment.

Section 3.5.6 Adjournment. When a meeting of the members is adjourned to another time or place, notice of the adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

Section 3.5.7 Action Without Meeting. An action required or permitted to be taken at a meeting of the members may be taken without a meeting by written action signed by all of the members entitled to vote on that action. The written action is effective when it has been signed by all of those members, unless a different effective time is provided in the written action.

ARTICLE IV.

Board of Directors

Section 4.1 Business Managed. The business affairs of the corporation shall be managed by the direction of the Board of Directors.

Section 4.2 Number of Directors. The Board of Directors shall consist of not less than five (5), nor more than 20 persons.

Section 4.3 Term. Directors shall serve for a term of three (3) years and shall be so elected that approximately one-third of the Directors within each group of Directors is elected each year.

Section 4.4 Quorum Requirements. That at meetings of the Board of Directors one-third of the Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business.

Section 4.5 Voting. Except where otherwise required by law, the Articles or By-laws, the affirmative vote of a majority of the directors present at a duly held meeting shall be sufficient for any action.

Section 4.6 Meeting. The Board of Directors may meet after the annual meeting for the purpose of determining organization, the election of officers, the transaction of any other business and the establishment of a schedule of meetings for the Board of Directors. Special meetings of the Board of Directors may be called by the President, Vice President or any two members of the Board of Directors. Notice of all Directors meetings shall be given by mailing

not less than 5 and not more than 60 days before the meeting. The President shall set the date for a special meeting within 3 working days of making or receiving such a request and shall give not less than 5 days, and not more than 60 days, written notice of the time, place and purpose of the special meeting. Board meetings shall be held at any place designated by the Board of Directors and, in the absence of such designation, shall be held at the registered office of the corporation.

Section 4.7 Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed by the number of Directors required to take the same action at a meeting of the Board of Directors at which all Directors were present. The written action is effective when signed by the required number of directors, unless a different effective date is provided in the written action. When written action is taken by less than all of the Directors, all Directors shall be notified immediately of its text and effective date, except that failure to provide such notice does not invalidate the written action.

Section 4.8 Resignation. A Director may resign at any time by giving written notice of his or her resignation to the corporation. The resignation is effective when received by the corporation, unless a later date has been specified in the notice.

Section 4.9 Removal. A Director may be removed from office, with or without cause, by the affirmative vote of a majority of the Directors present at a duly held meeting, provided that not less than 5 days and not more than 60 days notice of such meeting, stating that the removal of such Director is to be on the agenda for such meeting shall be given to each Director.

In the event of the death, removal or resignation of a Director, a successor to fill the unexpired term shall only be elected by the affirmative vote of a majority of the directors present at a duly held meeting.

Section 4.10 Committees. The Board of Directors may establish one or more committees having the authority of the Board in the management of the business of the corporation to the extent determined by the Board.

Section 4.11 Waiver of Notice. Any director may execute a written waiver of notice of any meeting required to be given by statute or by any provision of these By-laws either before, at or after the meeting and such waiver, when signed and filed as hereinafter provided, shall be equivalent to notice. Such waiver shall be filed with the Secretary, who shall enter it upon the minutes or other records of that meeting. Appearance at a meeting by a Director shall be deemed a waiver of notice thereof, unless the appearance is solely for the purpose of asserting the illegality of the meeting.

Section 4.12 Form of Notice. Whenever, under the provisions of these By-laws notice is required to be given to any Director, it shall be construed to require personal notice, but such notice may be given in writing by mail by depositing it in a post office or letter box within the State of Minnesota, postage-paid, addressed to such Director or committee member at his or her last known address.

Section 4.13 Compensation. Directors shall not be compensated for their duties as Directors, except that a Director may receive compensation for services provided and Directors may be reimbursed for expenses incurred on behalf of the corporation.

Section 4.14 Qualification. That any voting member of the Association is eligible to become a member of the Board of Directors.

ARTICLE V.

Officers

Section 5.1 Designation of Officers. The officers of the corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may, from time to time, appoint.

Section 5.2 Duties. The duties of the officers of this corporation shall be:

Section 5.2.1 President. The President shall be the Chief Executive officer of the corporation and shall be responsible for the day-to-day operation of the corporation. In addition, the President shall preside at all meetings of the Board of Directors and shall oversee the long-term goals and purposes of the corporation. In addition, the President shall perform such other duties as may be determined from time to time by the Board of Directors.

Section 5.2.2 Vice President. The Vice President shall perform such duties as may be determined from time to time by the Board of Directors. The Vice President shall also be vested with all powers of and perform all duties of the President in the President's absence or inability to act, but only so long as such absence or inability continues.

Section 5.2.3 Secretary. The Secretary shall attend all meetings of the Board of Directors and committee meetings as designated by the Board and keep the minutes of such meetings, giving notices and prepare any necessary certified copies of corporate records. In addition, the Secretary shall perform such other duties as may be determined from time to time by the Board of Directors.

Section 5.2.4 Treasurer. The Treasurer shall have charge of the corporate treasury, receiving and keeping the monies of the corporation, and disbursing corporate funds as authorized. In addition, the Treasurer shall perform such other duties as may be determined from time to time by the Board of Directors.

Section 5.3 Resignation. An officer may resign at any time by giving written notice to the corporation. The resignation is effective without acceptance when the notice is given to the corporation, unless a later effective date is named in the notice.

Section 5.4 Removal. Any officer may be removed, with or without cause, by the affirmative vote of a majority of the Directors present at a duly held meeting of the Board of Directors, for which notice stating such purpose has been given.

A vacancy in any office because of death, resignation or removal may be filled by the Board of Directors.

ARTICLE VI.

Standard of Care

Section 6.1 It is the responsibility of each officer and Director of this corporation to discharge his or her duties as a Director in good faith, in a manner the person reasonably believes to be in the best interests of this corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

ARTICLE VII.

Finance

Section 7.1 Any dues, contributions, grants, bequests or gifts made to the corporation shall be accepted or collected only as authorized by the Board of Directors.

All funds of the corporation shall be deposited to the credit of the corporation under such conditions and in such banks as shall be designated by the Board of Directors.

All contracts, checks and orders for the payment, and receipt or deposit of money of the corporation shall be provided by the Board of Directors.

The annual budget of estimated income, expense and capital expense shall be approved by the Board of Directors.

ARTICLE VIII.

Indemnification

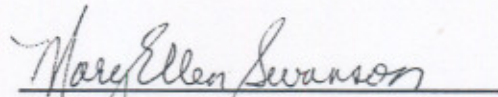
Section 8.1 To the full extent permitted by the Minnesota Nonprofit Corporation Act, as amended from time to time, or by other provisions of law, each person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, wherever and by whomever brought, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a member, director or officer of the corporation, or he or she is or was serving at the specific request of the Board of Directors of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the corporation by the affirmative vote of the majority of the directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given against, expenses, including attorney's fees,

judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall apply only to the extent such person is not indemnified by such other corporation, partnership, joint venture, trust or other enterprise. The indemnification provided by this Article shall inure to the benefit of the heirs, executors, and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this provision of the By-laws.

ARTICLE IX.

Amendment of By-laws

Section 9.1 The Board of Directors may, from time to time, adopt, amend or repeal all or any of the By-laws of this corporation; except that after the adoption of the initial By-laws, the Board of Directors shall not adopt, amend or repeal a By-law fixing a quorum for meetings of members prescribing procedures from removing Directors or filling vacancies in the Board of Directors, or fixing the number of Directors or their classifications, qualifications or terms of office, but the Board of Directors may adopt or amend a By-law to increase the number of Directors.


Secretary