INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P O BOX A-3290 DPN 22-2
CHICAGO, IL 60690

DEPARTMENT OF THE TREASURY

Date: APR 21 1994

BAY LAKE IMPROVEMENT ASSOCIATION
ENVIRONMENTAL PROTECTION FUND
P O BOX 461
DEERWOOD, MN 56444

Employer Identification Number:
41-1288821
Case Number:
364095073
Contact Person:
MRS. R. COOLEY
Contact Telephone Number:
(312) 886-6532
Our Letter Dated:
December 29, 1989
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Marilyn M. Day

Marilyn M. Day
District Director

RESTATED ARTICLES OF INCORPORATION
OF
BAY LAKE IMPROVEMENT ASSOCIATION, INC.

Article I.

The name of this corporation shall be Bay Lake Improvement Association, Inc.

Article II.

The purpose of this corporation shall be to provide civic, community and educational services to the Bay Lake area residents, Crow Wing County, Minnesota. The foregoing services shall include, but shall not be limited to, disseminating educational information relating to the preservation of Bay Lake and its shores in a clean and natural condition, examining into and reporting to the aforesaid residents regarding taxation, municipal services, property use and development, and all other matters directly or indirectly related to the preservation of a wholesome environment in the Bay Lake area.

Article III.

No part of the property or income of this corporation shall inure to the benefit of or be distributable to its members, directors, officers or other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. The corporation shall not carry on any activities not permitted to be carried on by an organization bearing its exempt classification under the provisions of the Internal Revenue Code of 1954, or successor provisions thereto.

Article IV.

The period of duration of corporate existence of this corporation shall be perpetual.

Article V.

The location of the registered office of this corporation in this state is Route 1, Deerwood, Minnesota 56444.

Article VI.

The name and address of each incorporator of this corporation is:

R. S. Erickson
1860 Rome Avenue, St. Paul, Minnesota 55116

R. H. Kirkeeide
5709 Elliot Avenue S., Minneapolis, Minnesota 55417

W. F. Haben
4367 Thielen Avenue, Edina, Minnesota 55436

D. W. Weidenbach
2340 Skyline Drive, Minneapolis, Minnesota 55420

Article VII.

The number of directors constituting the Board of Directors of this corporation shall be not less than six or more than twelve. The names and addresses of the present directors are:

Chuck Albertson
5510 Mt. Normandale Curve, Bloomington, MN 55437

Jim Bye
2325 Sheridan Hills Road, Wayzata, MN 55391

Dave Devins
618 N. Van Buren Trail, Hopkins, MN 55343

Sylvia Graff
8230 Dupont Avenue South, Bloomington, MN 55420

Evelyn Johnson
3120 E. 24th Street, Minneapolis, MN. 55406

Lee Johnson
5432 Beacshide Drive, Minnetonka, MN 55343

Paul K. Joas
6209 South Knoll Drive, Edina, MN 55436

Bob Kallestad
2794 Highway 10, Moundsview, MN 55429

Joanne Malkerson
4849 Sheridan Avenue South, Minneapolis, MN 55410

Marlys Orr
3917 40th Avenue South, Minneapolis, MN 55406

Steve Souder
Birchwood Labs Inc., 7900 Fuller Road, Eden Prairie, MN 55344

Frank Tonnemaker
4030 Heathcote Road, Wayzata, MN 55391

Article VIII.

Neither the members, directors, nor officers of the corporation shall be personally liable for any obligation of the corporation of any nature whatsoever, nor shall any of the property of any member, director, or officer of the corporation be subject to payments of obligations of the corporation to any extent whatsoever.

Article IX.

This corporation shall have no capital stock.

Article X

This corporation shall have a fund, separate and apart from all other funds and properties of this

corporation, known as the "Bay Lake Improvement Association Environmental Protection Fund" (hereinafter referred to as the "Environmental Fund"), which is organized and shall be operated exclusively for environmental, conservational and other charitable and educational purposes, all as contemplated and permitted by Sections 170(c)(2), 501(c)(3), and 509(a)(2) of the Internal Revenue Code of 1954, and, in connection therewith, exclusively to perform, and otherwise to assist in carrying out environmental, conservational, pollution control, safety, and other charitable and educational functions and purposes of this corporation. Within the framework and limitations of the foregoing, the Environmental Fund is established and shall be operated exclusively to engage in, advance, support, and administer environmental, conservational, pollution control, safety, and other charitable and educational activities, causes, and projects of this corporation of every kind and nature whatsoever, and, but only if and to the extent consistent with the foregoing purposes, to aid, assist, and contribute to the support of corporations, associations, trusts, foundations, and institutions (1) that are organized and operated exclusively for one or more purposes described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, (2) that are described in Section 501(c)(3) of the Internal Revenue Code of 1954, and (3) that are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1954.

For such purposes and not otherwise, the Environmental Fund shall have and exercise only such powers as are required by and are consistent with the foregoing purposes, including the power to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise and whether in trust or otherwise, and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose of any funds and property and the income therefrom in furtherance of the purposes of this corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber, and use the same, and such other powers that are consistent with the foregoing purposes that are afforded to nonprofit corporations by the Minnesota Nonprofit Corporation Act and by any future laws amendatory thereof and supplementary thereto. Provided, however, that all such powers of the Environmental Fund shall be exercised only so that the activities of the Environmental Fund shall be exclusively within the contemplation of Sections 170(c)(2), 50I(c)(3), and 509(a)(2) of the Internal Revenue Code of 1954; and provided further, however, that the Environmental Fund shall not carry on any activity not permitted to be carried on by an organization that is described in Section 501(c)(3) of the Internal Revenue Code of 1954 and is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code of 1954 or by an organization that is described in, and contributions to which are deductible for federal income tax purposes under, Section 170(c)(2) of the Internal Revenue Code of 1954.

The Environmental Fund shall not, incidentally or otherwise, afford or pay any pecuniary gain, dividends, or other pecuniary remuneration to this corporation or to members of this corporation as such, and no part of the net income or net earnings of the Environmental Fund shall, directly or indirectly, be distributable to or inure to the benefit of this corporation or any member of this corporation or any other individual. No substantial part of the activities of the Environmental Fund shall be the carrying on propaganda, or otherwise attempting, to influence legislation, and the Environmental Fund shall not be used to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

The Environmental Fund shall be managed and directed by a Board of Directors, composed exclusively of the persons who are from time to time the members of the Board of Directors of this corporation.

Upon dissolution of this corporation or upon earlier termination of the Environmental Fund, and subject always to the further provisions of this Article X, all assets and properties of the Environmental Fund remaining after the payment of all liabilities of the Environmental Fund shall be distributed to and among such one or more organizations as are then in existence and are described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, in such proportions as shall be determined either (1) by the Board of Directors of this corporation, if the termination of the Environmental Fund occurs prior to the dissolution of this corporation, but the dissolution of this corporation is not required to be conducted under court supervision, or (2) by a court of competent jurisdiction, if the termination of the Environmental Fund occurs in connection with the dissolution of this corporation and the dissolution of this corporation is required to be conducted under court supervision. Notwithstanding anything apparently or expressly to the contrary contained in this Article X, if any assets or properties are then held by the Environmental Fund in trust or upon condition or subject to any executory or special limitation and if the condition of limitation occurs by reason of the termination of the Environmental Fund or the dissolution of this corporation, such assets or properties shall revert or be returned, transferred, or conveyed in accordance with the terms and provisions of such trust, condition, or limitation.

Article XI.

This corporation shall have no corporate seal.

Article XII.

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organizations organized and operated for purposes similar to those set forth in these Articles of Incorporation, if said organizations shall at that time qualify as exempt organizations under appropriate sections of the Internal Revenue Code. Any of such assets not so disposed of shall be disposed of by order of the District Court of Crow Wing County Minnesota, exclusively for such purposes or to such organizations which are organized and operated exclusively for such purpose, as said Court shall determine.

Article XIII.

These Articles may be amended in the manner provided in the applicable Minnesota Statutes.

BY-LAWS OF BAY LAKE IMPROVEMENT ASSOCIATION, INC.

ARTICLE I. Membership

Section 1. Classes of Members. The Corporation shall have two classes of membership, each of whom shall have equal rights, privileges, and duties, a) individual membership, and b) business/group membership. Each paid membership shall have only one vote.

Section 2. Election of Members. Members shall be elected by the Board of Directors. An affirmative vote of the majority of the directors present shall be required for election.

Section 3. Termination of Membership. The Board of Directors, by affirmative vote of two-thirds (2/3) of all the members of the Board, may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present, at any regularly constituted meeting, terminate the membership of a member who shall be in default in the payment of dues.

Section 4. Resignation. Any member may resign by filing a written resignation with the secretary.

Section 5. Transfer of Membership. Membership in this corporation is not transferable or assignable.

ARTICLE II. Meetings of Members

Section 1. An annual meeting of the members shall be held in June or July of each year, commencing in 1971, at any place in the State of Minnesota designated by the Board of Directors. Special meetings of members may be called by any member of the Board of Directors or any officer of the corporation, at any time and at any place within the State of Minnesota, provided, however, that a majority of the Board of Directors shall first authorize any meeting called for the purpose of amending the Articles of Incorporation or electing directors unless a majority of the members shall be present thereat by personal appearance or by proxy.

Section 2. Meetings of members shall be for the purpose of developing programs for the corporation and to make suggestions in the form of resolutions to aid and assist the officers and Board of Directors of the corporation in the conduct of the affairs of the corporation. A majority vote of the members present at a meeting shall be sufficient to pass resolutions of recommendation for officers and the Board of Directors of the corporation.

ARTICLE III. Board of Directors

Section 1. General Powers. The affairs of the corporation shall be managed by the Board of Directors, which shall consist of not less than six nor more than twelve individuals. Directors must be members of the corporation. The president of the corporation shall preside thereover.

Section 2. Tenure and qualifications. The Board of Directors shall hold office for the term of three years; one third of the Directors to be elected each year. The term of office shall begin January 1 of the year following the election.

Section 2A. Ex-Officio Directors. Pursuant to Minnesota Statutes S317.20, Subdivision 4, the Chairman of each of the various committees established by the Board of Directors who is not then a member of the Board shall constitute an ex-officio director of the corporation and shall be entitled to vote at each director meeting for which the Chairman's attendance has been requested by notification from the directors. Such ex-officio directors shall be counted in calculating the majority necessary to carry the vote but are not to be counted in determining whether a quorum of directors is present.

Section 2B. Recognition of Associations. The Board of Directors shall have authority to recognize certain associations upon application to the Board for recognition and thereafter upon approval of said application by the Board the person duly designated and representing said association shall be encouraged to attend and participate in board meetings and discussions but shall have no voting power with respect thereto.

Section 3. Meetings. Meetings of the Board of Directors shall be held as a majority of the Board of Directors shall determine.

Section 4. Quorum. One-third (1/3) of the elected Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by law or by these By-Laws. A director may appoint a proxy for himself or vote by proxy.

Section 5. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the vote or written action of a majority of the directors.

Section 6. Compensation. Directors as such shall not receive any compensation for their services.

Section 7. Written Action by Directors. Any action required by law to be taken at .meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if all who are entitled to vote on such matters consent in writing to said action.

ARTICLE IV. Officers

Section 1. Officers. The officers of the corporation shall be a president, a vice president, a secretary, a treasurer, and such other officers as may be elected by the Board of Directors. The same person shall not at any time hold the offices of (a) president and vice president; or (b) president and secretary. Officers need not be directors of the corporation. Officers must be natural persons of full age.

Section 2. Election and Term of Office. The officers of the corporation shall be elected by the Board of Directors and for a term as determined by the board the Board of Directors.

Section 3. The president shall be the principal executive officer of the corporation and shall, in general, supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members. He shall sign, with the secretary or with any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these By-Laws or by statute to some other officer or agent of the corporation; and, in general, he shall perform all duties as may be prescribed by the Board of Directors from time to time.

Section 4. Vice President. In the absence of the president, or in the event of his disability or refusal to act, the vice president (or in the event there shall be more than one vice president, the vice presidents in the order of their elections) shall perform the duties of the president, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 5. Treasurer. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such form and with such surety or sureties as the Board of

Directors shall determine. He shall have charge of and custody of, and be responsible for, all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries; and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 6. Secretary. The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; be custodian of the corporate records, keep a register of the post office address of each member which shall be furnished to the secretary by such member; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

ARTICLE V. Contract, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE VI. Certificates of Membership

Section 1. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as provided by Chapter 317, Section 317.25, Minnesota Statutes 1969. Such certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

Section 2. Issuance of Certificates. When a member has been elected to membership and has paid any membership fee dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Section 1 of this Article VI.

ARTICLE VII. Books and Records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members. All books and records of the corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE VIII. Fiscal Year

The fiscal year of the corporation shall be determined by the Board of Directors.

ARTICLE IX. Fees

The Board of Directors may determine from time to time the amount of membership fee, if any, and annual fees payable to the corporation by members. No fee paid by any member at any time to the corporation shall be returned to the member, his representative or estate upon termination of membership.

ARTICLE X. Amendments to By-Laws

These By-Laws may be altered, amended or repealed only by a majority vote of the members at a meeting duly called for that purpose.

BY-LAWS
OF
BAY LAKE IMPROVEMENT ASSOCIATION, INC.

ARTICLE I.
Membership

Section 1. Classes of Members. The Corporation shall have two classes of membership, each of whom shall have equal rights, privileges, and duties. a) individual membership, and b) business/group membership. Each paid membership shall have only one vote.

Section 2. Election of Members. Members shall be elected by the Board of Directors. An affirmative vote of the majority of the directors present shall be required for election.

Section 3. Termination of Membership. The Board of Directors, by affirmative vote of two-thirds (2/3) of all the members of the Board, may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present, at any regularly constituted meeting, terminate the membership of a member who shall be in default in the payment of dues.

Section 4. Resignation. Any member may resign by filing a written resignation with the secretary.

Section 5. Transfer of Membership. Membership in this corporation is not transferable or assignable.

ARTICLE II.
Meetings of Members

Section 1. An annual meeting of the members shall be held in June or July of each year, commencing in 1971, at any place in the State of Minnesota designated by the Board of Directors. Special meetings of

members may be called by any member of the Board of Directors or any officer of the corporation, at any time and at any place within the State of Minnesota, provided, however, that a majority of the Board of Directors shall first authorize any meeting called for the purpose of amending the Articles of Incorporation or electing directors unless a majority of the members shall be present thereat by personal appearance or by proxy.

Section 2. Meetings of members shall be for the purpose of developing programs for the corporation and to make suggestions in the form of resolutions to aid and assist the officers and Board of Directors of the corporation in the conduct of the affairs of the corporation. A majority vote of the members present at a meeting shall be sufficient to pass resolutions of recommendation for officers and the Board of Directors of the corporation.

ARTICLE III.
Board of Directors

Section 1. General Powers. The affairs of the corporation shall be managed by the Board of Directors, which shall consist of not less than six nor more than twelve individuals. Directors must be members of the corporation. The president of the corporation shall preside thereover.

Section 2. Tenure and Qualifications. The Board of Directors shall hold office for the term of three years; one third of the Directors to be elected each year. The term of office shall begin January 1 of the year following the election.

Section 2A. Ex-Officio Directors. Pursuant to Minnesota Statutes S317.20, Subdivision 4, the Chairman of each of the various committees established by the Board of Directors who is not then a member of the Board shall constitute an ex-officio director of the corporation and shall be entitled to vote at each director meeting for which the

Chairman's attendance has been requested by notification from the directors. Such ex-officio directors shall be counted in calculating the majority necessary to carry the vote but are not to be counted in determining whether a quorum of directors is present.

Section 2B. Recognition of Associations. The Board of Directors shall have authority to recognize certain associations upon application to the Board for recognition and thereafter upon approval of said application by the Board the person duly designated and representing said association shall be encouraged to attend and participate in board meetings and discussions but shall have no voting power with respect thereto.

Section 3. Meetings. Meetings of the Board of Directors shall be held as a majority of the Board of Directors shall determine.

Section 4. Quorum. One-third (1/3) of the elected Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by law or by these By-Laws. A director may appoint a proxy for himself or vote by proxy.

Section 5. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the vote or written action of a majority of the directors.

Section 6. Compensation. Directors as such shall not receive any compensation for their services.

Section 7. Written Action by Directors. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if all who are entitled to vote on such matters consent in writing to said action.

ARTICLE IV.
Officers

Section 1. Officers. The officers of the corporation shall be a president, a vice president, a secretary, a treasurer, and such other officers as may be elected by the Board of Directors. The same person shall not at any time hold the offices of (a) president and vice president; or (b) president and secretary. Officers need not be directors of the corporation. Officers must be natural persons of legal age and other than the President and Vice President need not be directors of the corporation.

Section 2. Election and Term of Office. The officers of the corporation shall be elected by the Board of Directors and for a term as determined by the Board of Directors.

Section 3. The president shall be the principal executive officer of the corporation and shall, in general, supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members. He shall sign, with the secretary or with any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these By-Laws or by statute to some other officer or agent of the corporation; and, in general, he shall perform all duties as may be prescribed by the Board of Directors from time to time.

Section 4. Vice President. In the absence of the president, or in the event of his disability or refusal to act, the vice president (or in the event there shall be more than one vice president, the vice presidents in the order of their elections) shall perform the duties of the president, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 5. Treasurer. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such form and with such surety or sureties as the Board of Directors shall determine. He shall have charge of and custody of, and be responsible for, all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries; and in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 6. Secretary. The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; be custodian of the corporate records, keep a register of the post office address of each member which shall be furnished to the secretary by such member; and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

ARTICLE V.
Contract, Checks, Deposits and Funds

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE VI.
Certificates of Membership

Section 1. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as provided by Chapter 317, Section 317.25, Minnesota Statutes 1969. Such certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board of Directors may determine.

Section 2. Issuance of Certificates. When a member has been elected to membership and has paid any membership fee dues that may then be required, a certificate of membership shall be issued in his name and delivered to him by the secretary, if the Board of Directors shall have provided for the issuance of certificates of membership under the provisions of Section1 of this Article VI.

ARTICLE VII.
Books and Records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members,

Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members. All books and records of the corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

ARTICLE VIII.
Fiscal Year

The fiscal year of the corporation shall be determined by the Board of Directors.

ARTICLE IX.
Fees

The Board of Directors may determine from time to time the amount of membership fee, if any, and annual fees payable to the corporation by members. No fee paid by any member at any time to the corporation shall be returned to the member, his representative or estate upon termination of membership.

ARTICLE X.
Amendments to By-Laws

These By-Laws may be altered, amended or repealed only by a majority vote of the members at a meeting duly called for that purpose.

I, Steve Souder, hereby certify that I am the President of the Bay Lake Improvement Association, Inc. and as such officer can certify that this document contains the true and correct By-Laws of this association which are currently in effect.

Dated: 7-15-89

Steve Souder
President B.L.I.A.

I-455

CERTIFICATE OF RESTATED ARTICLES OF INCORPORATION

OF

BAY LAKE IMPROVEMENT ASSOCIATION, INC.

We, Frank Tonnemaker and Alice J. Keller, Vice President and Secretary, respectively, of Bay Lake Improvement Association, Inc., a Minnesota non-profit corporation having no stock or stockholders and duly organized and existing under the laws of the State of Minnesota, do hereby certify that at the annual meeting of the members of said corporation duly called and held at Rutgers Bay Lake Lodge, Deerwood, Minnesota 56444, on the 24th day of June, 1989, pursuant to proper notice, in accordance with the provisions of the Minnesota Nonprofit Corporation Act and the Articles of Incorporation and Bylaws of the corporation, as amended, and at which a quorum was present the following restated Articles of Incorporation of the corporation were adopted:

0321269

Article I.

The name of this corporation shall be Bay Lake Improvement Association, Inc.

Article II.

The purpose of this corporation shall be to provide civic, community and educational services to the Bay Lake area residents, Crow Wing County, Minnesota. The foregoing services shall include, but shall not be limited to, disseminating educational information relating to the preservation of Bay Lake and its shores in a clean and natural condition, examining into and reporting to the aforesaid residents regarding taxation, municipal services, property use and development, and all other matters directly or indirectly related to the preservation of a wholesome environment in the Bay Lake area.

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Article IV.

The period of duration of corporate existence of this corporation shall be perpetual.

Article V.

The location of the registered office of this corporation in this state is Route 1, Deerwood, Minnesota 56444.

Article VI.

The name and address of each incorporator of this corporation is:

R. S. Erickson
1860 Rome Avenue, St. Paul, Minnesota 55116

R. H. Kirkeeide
5709 Elliot Avenue S., Minneapolis, Minnesota 55417

W. F. Haben
4367 Thielen Avenue, Edina, Minnesota 55436

D. W. Weidenbach
2340 Skyline Drive, Minneapolis, Minnesota 55420

Article VII.

The number of directors constituting the Board of Directors of this corporation shall be not less than six nor more than twelve. The names and addresses of the present directors are:

Chuck Albertson
5510 Mt. Normandale Curve
Bloomington, MN 55437

Lee Johnson
5342 Beachside Drive
Minnetonka, MN 55343

Jim Bye
2325 Sheridan Hills Road
Wayzata, MN 55391

Dave Devins
618 N. Van Buren Trail
Hopkins, MN 55343

Sylvia Graff
8230 Dupont Avenue So.
Bloomington, MN 55420

Evelyn Johnson
3120 E. 24th Street
Minneapolis, MN 55406

Paul K. Joas
6209 South Knoll Drive
Edina, MN 55436

Bob Kallestad
2794 Highway 10
Moundsview, MN 55429

Joanne Malkerson
4849 Sheridan Avenue So.
Minneapolis, MN 55410

Marlys Orr
3917-40th Avenue So.
Minneapolis, MN 55406

Steve Souder
c/o Birchwood Labs, Inc.
7900 Fuller Road
Eden Prairie, MN 55344

Frank Tonnemaker
4030 Heathcote Road
Wayzata, MN 55391

Article VIII.

Neither the members, directors, nor officers of the corporation shall be personally liable for any obligation of the corporation of any nature whatsoever, nor shall any of the property of any member, director, or officer of the corporation be subject to payment of obligations of the corporation to any extent whatsoever.

Article IX.

This corporation shall have no capital stock.

Article X.

This corporation shall have a fund, separate and apart from all other funds and properties of this corporation, known as the "Bay Lake Improvement Association Environmental Protection Fund" (hereinafter referred to as the "Environmental Fund"), which is organized and shall be operated exclusively for environmental, conservational and other charitable and educational purposes, all as contemplated and permitted by Sections 170(c)(2), 501(c)(3), and 509(a)(2) of the Internal Revenue Code of 1954, and, in connection therewith, exclusively to perform, and otherwise to assist in carrying out environmental, conservational, pollution control, safety, and other charitable and educational functions and purposes of this corporation. Within the framework and limitations of the foregoing, the Environmental Fund is established and shall be operated exclusively to engage in, advance, support, and administer environmental, conservational, pollution control, safety, and other charitable and educational activities, causes, and projects of this corporation of every kind and nature whatsoever, and, but only if and to the extent consistent with the foregoing purposes, to aid, assist, and contribute to the support of corporations, associations, trusts, foundations, and institutions (1) that are organized and operated exclusively for one or more purposes described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, (2) that are described in Section 501(c)(3) of the Internal Revenue Code of 1954, and (3) that are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1954.

For such purposes and not otherwise, the Environmental Fund shall have and exercise only such powers as are required by and are consistent with the foregoing purposes, including the power to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, gift, grant, bequest, legacy, devise, or otherwise and whether in trust or otherwise, and to own, hold, expend, make gifts, grants, and contributions of, and to convey, transfer, and dispose of any funds and property and the income therefrom in furtherance of the purposes of this corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber, and use the same, and such other powers that are consistent with the foregoing purposes that are afforded to nonprofit corporations by the Minnesota Nonprofit Corporation Act and by any future laws amendatory thereof and supplementary thereto. Provided, however, that all such powers of the Environmental Fund shall be exercised only so that the activities of the Environmental Fund shall be exclusively within the contemplation of Sections 170(c)(2), 501(c)(3), and 509(a)(2) of the Internal Revenue Code of 1954; and provided further, however, that the Environmental Fund shall not carry on any activity not permitted to be carried on by an organization that is described in Section 501(c)(3) of the Internal Revenue Code of 1954 and is exempt from federal income taxes under Section 501(c)(2) of the Internal Revenue Code of 1954 or by an organization that is described in, and contributions to which are deductible for federal income tax purposes under, Section 170(c)(2) of the Internal Revenue Code of 1954.

The Environmental Fund shall not, incidentally or otherwise, afford or pay any pecuniary gain, dividends, or other pecuniary remuneration to this corporation or to members of this corporation as such, and no part of the net income or net earnings of the Environmental Fund shall, directly or indirectly, be distributable to or inure to the benefit of this corporation or any member of this corporation or any other individual. No substantial part of the activities of the Environmental Fund shall be the carrying on propaganda, or otherwise attempting, to influence legislation, and the Environmental Fund shall not be used to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

The Environmental Fund shall be managed and directed by a Board of Directors, composed exclusively of the persons who are from time to time the members of the Board of Directors of this corporation.

Upon dissolution of this corporation or upon earlier termination of the Environmental Fund, and subject always to the further provisions of this Article X, all assets and properties of the Environmental Fund remaining after the payment of all liabilities of the Environmental Fund shall be distributed to and among such one or more organizations as are then in existence and are described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1954, in such proportions as shall be determined either (1) by the Board of Directors of this corporation, if the termination of the Environmental Fund occurs prior to the dissolution of this corporation, but the dissolution of this corporation is not required to be conducted under court supervision, or (2) by a court of

competent jurisdiction, if the termination of the Environmental Fund occurs in connection with the dissolution of this corporation and the dissolution of this corporation is required to be conducted under court supervision. Notwithstanding anything apparently or expressly to the contrary contained in this Article X, if any assets or properties are then held by the Environmental Fund in trust or upon condition or subject to any executory or special limitation and if the condition of limitation occurs by reason of the termination of the Environmental Fund or the dissolution of this corporation, such assets or properties shall revert or be returned, transferred, or conveyed in accordance with the terms and provisions of such trust, condition, or limitation.

Article XI.

This corporation shall have no corporate seal.

Article XII.

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organizations organized and operated for purposes similar to those set forth in these Articles of Incorporation, if said organizations shall at that time qualify as exempt organizations under appropriate sections of the Internal Revenue Code. Any of such assets not so disposed of shall be disposed of by order of the District Court of Crow Wing County, Minnesota, exclusively for such purposes or to such organizations which are organized and operated exclusively for such purposes, as said Court shall determine.

Article XIII.

These Articles may be amended in the manner provided in the applicable Minnesota Statutes.

IN WITNESS WHEREOF, we have subscribed our names to this Certificate this 24th day of June, 1989.

Frank Tonnemaker, Vice President

Alice J. Keller, Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF CROW WING)

FRANK TONNEMAKER and ALICE J. KELLER, being first duly sworn, on oath depose and say: that they are respectively the Vice President and Secretary of Bay Lake Improvement Association, Inc., the non-profit corporation named in the foregoing certificate; that said certificate contains a true statement of the action of the members as aforesaid; that said certificate is executed on behalf of said corporation by its express authority; and they further acknowledge the same to be their free act and deed and the free act and deed of said corporation.

Frank Tonnemaker, Vice President

Alice J. Keller, Secretary

Subscribed and sworn to before me this 24 day of June, 1989.

Ruth M Hansen
Notary Public

RUTH M. HANSEN
NOTARY PUBLIC—MINNESOTA
CROW WING COUNTY
My commission expires 7-4-93

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN 29 1989

Joan Anderson Growe
Secretary of State

Mission Statement:

The Bay Lake Improvement Association (BLIA) exists to preserve and enhance the natural environment and the community of Bay Lake.

Brief Description:

- The BLIA is a non-profit organization representing friends of Bay Lake. Volunteer Officers and Directors are elected to pursue the Mission of the Association through a structure of standing committees. Active committees exist to address everything from governmental and environmental issues, to membership and social matters.
- A network of ambassadors, known as Beach Captains, exist to represent all the "beaches" or sections of shoreline and to promote the community aspect of the BLIA.
- The Association publishes the "Breezes", a newsletter used to inform, entertain, and communicate with the membership.
- BLIA holds an annual meeting of the membership and several social and fundraising events each year.
- Many years ago, the BLIA incorporated an Environmental Fund. Proceeds from various fundraising activities provide financing for environmental initiatives to protect and preserve Bay Lake.
- As of December 31st, BLIA has 500 members.

4/5/P 4/10/01

Bay Lake Improvement Association, Inc.

Position Statement - Lakeshore Development

A fundamental component of the Bay Lake Improvement Association mission statement as stated in its Articles of Incorporation is "the preservation of Bay Lake and its shores in a clean and natural condition". As such, the Bay Lake Improvement Association has adopted the following position statement regarding lakeshore development:

I. Over development of lakeshore and surrounding watershed areas will be strenuously opposed by the BLIA.

II. Any lakeshore development activity should be consistent with the BLIA goal of maintaining Bay Lakes overall environmental quality.

III. Development of additional lake accesses will be vigorously opposed by the BLIA. Increased boat traffic results in a deterioration of the environmental quality of the lake and the further spread of erasion water milfoil and other noxious pests.

IV. Planned Unit Developments (PUD's) either on the lake or with lakeshore access will be opposed by the BLIA.

V. Further commercial development, re-zoning of residential property to commercial zoning and non-conforming lakeshore or watershed development will be opposed by the BLIA.