

TABLE OF CONTENTS - BY-LAWS OF
RIVER HEIGHTS CONDOMINIUM ASSOCIATION, INC.

	Page
1. Form	1
2. Mailing Address	1
3. Membership and Voting Rights	1
4. Cumulative Voting	2
5. Annual Meetings.	2
6. Special Meetings	2
7. Notice of Meeting	2
8. Place of Meeting	3
9. Quorum, Majority Vote	3
10. Adjournment of Meeting	3
11. Number of Qualifications of the Board of Directors	3
12. Powers of the Board of Directors	4
13. Powers and Duties of the Board of Directors	4
14. Election	8
15. Removals	8
16. Removal of Officers	9
17. Vacancies	9
18. President	9
19. Vice President	9
20. Secretary	10
21. Treasurer	10
22. Compensation of Officers	10
23. Managing Agent	10
24. Minutes	10
25. Common Expenses and Assessments	10
26. Preparation of Estimated Budget	11
27. Reserve for Contingencies and Replacements	12
28. Budget for First Year	13
29. Failure to Prepare Annual Budget	13
30. Books and Records	13
31. Remedies for Failure to Pay Assessments	14
32. Failure to Enforce Does Not Abrogate	15
33. Borrowing	15
34. Amendment	16

BY-LAWS OF
RIVER HEIGHTS CONDOMINIUM ASSOCIATION, INC.

River Heights Condominium Association shall be governed by the Declaration of River Heights Condominium as well as the following By-Laws.

1. FORM. River Heights Condominium Association, Inc. shall be a non-profit corporation which shall hereafter be called "The Association".

2. MAILING ADDRESS. The mailing address for the River Heights Condominium Association shall be c/o Robert W. Mudge, 430 Second Street, Hudson, Wisconsin 54016.

3. MEMBERSHIP AND VOTING RIGHTS. Each owner at the time of purchase of a unit shall become a member of the Association. There shall be an expanding total number of members in the Association. Each owner or owners of a unit shall have but one vote for each unit owned. There shall be one person with respect to each unit who shall be entitled to vote at any meeting of the unit owners. Such person shall be known and hereinafter referred to as a "voting member". Such voting member may be the owner or one of the group composed of all the owners of a unit ownership or may be some person designated as such owner or owners to act as proxy on his or her behalf and who need not be an owner. Such designation shall be made in writing to the Board of Directors of the Association and shall be revocable at any time by actual notice to the Board of Directors of the death or judicially declared

incompetence of any designator or by written notice to the Board of Directors of the Association by the owner or owners. Any or all such owners may be present at any meeting of the voting members and (those constituting a group acting unanimously) may vote or take any other action as a voting member either by person or by proxy.

4. CUMULATIVE VOTING. In all matters wherein the unit owners vote on any issue, each voting member shall be entitled to a vote on a cumulative voting basis.

5. ANNUAL MEETINGS. The initial meeting of the voting members shall be held upon ten days written notice and not later than one year from the date of the recording of these By-Laws.

6. SPECIAL MEETINGS. Special meetings of the voting members may be called at any time for the purpose of considering matters which by the terms of the Declaration, the By-Laws or any other matter requiring the approval of all or some of the voting members or for any other reasonable purpose. Said meetings shall be called by written notice authorized by a majority of the Board of Directors of the Association or by the voting members having one-fourth of the total votes and delivered not less than ten days prior to the date for said meeting. The notices shall specify the date, time and place of the meetings and the matters to be considered.

7. NOTICE OF MEETING. The notice of meeting required to be given herein may be delivered either personally or by mail to persons entitled to vote addressed to each such person at the

address given by him to the Board of Directors for the purpose of serving such notice.

8. PLACE OF MEETING. Meetings of the voting members shall be held at the property or at such other place in St. Croix County, Wisconsin, as may be designated in the notice of meeting.

9. QUORUM, MAJORITY VOTE. The presence in person or by proxy at any meeting of the voting members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members in which a quorum is present upon the affirmative vote of the voting members having a majority of the total vote present at such meeting.

10. ADJOURNMENT OF MEETING. If any meeting of the voting members cannot be held because a quorum is not present, a majority of the voting members who are present at such meeting either in person or by proxy may adjourn the meeting from time to time for a period not exceeding seven days in any one case.

11. NUMBER AND QUALIFICATIONS OF THE BOARD OF DIRECTORS. The administration and direction of the property shall be vested in the Board of Directors (hereinafter sometimes called "the Board") consisting of three persons who shall be elected in the manner hereinafter provided. Each member of the Board of Directors shall be one of the owners or a spouse of an owner provided, however, that in the event an owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, that any officer or director of such

corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity shall be eligible to serve as a member of the Board of Directors. The number of directors will be increased from time to time as more units are added to the condominium. This increase of the number of directors shall be determined by a resolution submitted and voted upon by the members of the Condominium Association at that time.

12. POWERS OF THE BOARD OF DIRECTORS. Administration of the River Heights Condominium Association shall be delegated and is the responsibility of the Board of Directors. The Board of Directors shall have the power and authority to do any and all things necessary to administer the Association including the specific duties hereafter set forth. Nothing herein, however, shall diminish the power of the voting members to direct or overturn the decision of the directors.

13. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. The Board of Directors for the benefit of all of the owners shall acquire and pay for, out of maintenance funds hereinafter provided for, the following:

a. Property Insurance. A policy or policies of insurance insuring the common elements and facilities in the units against loss or damage by the perils of fires, lightning and those contained in the extended coverage, vandalism and malicious mischief endorsements for the full insurable replacement value of the common elements and facilities in the units written in the name of and the proceeds thereof shall be payable to the Association. Said policy or policies shall provide for separate

protection for each unit and its attached, built-in or installed fixtures and equipment to the full insurable replacement value thereof and a separate loss payable endorsement in favor of the mortgagee or mortgagees of any unit, if any. Prior to obtaining any such policy or policies of insurance or any renewal thereof, the Board of Directors may obtain appraisals from a qualified appraiser for the purpose of determining the full replacement value of the common elements or facilities and the units for the amount of insurance to be effective pursuant thereto. The cost of any and all such appraisals shall be common expenses.

b. Liability Insurance. Comprehensive public liability and property damage insurance in such limits as the Board of Directors shall deem desirable insuring the members of the Board, the managing agent, if any, their agents and employees and the Declarant from any liability in connection with the common elements and facilities or the streets or sidewalks adjoining the property. Such insurance coverage shall also cover cross liability claims in one insured against another.

c. Workmen's Compensation Insurance. Workmen's compensation insurance as may be necessary to comply with applicable laws and such other forms of insurance as the Board of Directors in its judgment shall elect to effect.

d. Employees. The services of any person or firm employed by the Board of Directors.

e. Maintenance of Common Elements and Facilities. Landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating, repair and replacement of the common

elements and the facilities and such furnishings and equipment for the common elements and facilities as the Board of Directors shall determine are necessary and proper.

f. Maintenance of Property. Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of the Declaration or by law or which in its opinion shall be necessary or proper for the maintenance and operation of the property as a first class condominium building or for the enforcement of these restrictions.

g. Mechanic's Liens. Any amount necessary to discharge any mechanic's liens or other encumbrance levied against the entire property or any part thereof which may in the opinion of the Board of Directors constitute a lien against the property or against the common elements and facilities rather than merely against the interest therein of particular owners. Where one or more owners are responsible for the existence of such lien they shall be jointly and severally liable for the costs of discharging it and any costs incurred by the Board of Directors by reason of said lien or liens shall be especially assessed to said owners.

h. Maintenance of Individual Units. Maintenance and repair of any unit, if such maintenance and repair is necessary in the discretion of the Board of Directors, to protect the common elements and facilities or any other portion of the building and an owner of any unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice

by the Board of Directors to said owner provided that the Board of Directors shall levy a special assessment against such owner for the cost of such maintenance or repair.

i. Right of Inspection. The Board of Directors or its agents may enter any unit when necessary in connection with any maintenance or construction for which the Board of Directors is responsible. Such entry shall be made with as little inconvenience to the owners as practicable and any damage caused thereby shall be repaired by the Board of Directors at the expense of the maintenance fund.

j. Limitation. The Board of Director's powers hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund any structural alterations, capital additions to or capital improvements of the common elements and facilities (other than for purposes of replacing or restoring portions of the common elements and facilities subject to all the provisions of this Declaration) requiring an expenditure in excess of \$2,500.00 without in each case the prior approval of the voting members holding two-thirds of the total votes.

k. Execution of Contracts. All agreements, contracts, deeds, leases and vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board of Directors in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board of Directors, such documents shall be signed by the Treasurer and countersigned

by the President of the Board of Directors.

1. Rules and Regulations. The Board of Directors, at the direction of the voting members having two-thirds of the total votes, may adopt such reasonable rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the property and for the health, comfort, safety and general welfare of the owners and occupants of the property. Written notice of such rules and regulations shall be given to all owners and occupants and the entire property shall at all times be maintained subject to such rules and regulations.

m. Concessions. The Board of Directors by a vote of at least two-thirds of the persons on the Board shall have the authority to lease or grant licenses or concessions with respect to any part of the common elements and facilities subject to the terms of this Declaration. Nothing hereinabove contained shall be construed to give the Board of Directors authority to conduct an active business for profit on behalf of the owners or any of them.

14. ELECTION. The Board of Directors shall elect at its organization meeting each year from among its members as provided herein a President, Vice President, Secretary and Treasurer and any such additional officers as the Board of Directors shall see fit to elect.

15. REMOVALS. Any member of the Board of Directors will be removed from office by an affirmative vote of the voting members having at least two-thirds of the total votes at any

special meeting called for the purpose. A successor to fill the unexpired term of a member of the Board of Directors removed may be elected by voting members at the same meeting or at any subsequent meeting called for that purpose.

16. REMOVAL OF OFFICERS. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause. A successor may be elected at any regular meeting of the Board and any special meeting of the Board called for such purpose.

17. VACANCIES. Vacancies in the Board of Directors shall be filled by election by the voting members present at the next annual meeting or at a special meeting of the voting members called for such purpose.

18. PRESIDENT. The President shall be the chief executive officer who shall preside over the meetings of the Board of Directors and of the unit owners. In general, he shall have all the powers and duties incident to the office of president, including but not limited to, the power to appoint committees from among the unit owners, any committee he decides is appropriate to assist in the direction and administration of the property.

19. VICE PRESIDENT. The Vice President shall in the absence or disability of the President exercise the powers of and perform the duties of the President. He shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

20. SECRETARY. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the unit owners. In general, he shall perform all the duties incident to the office of Secretary.

21. TREASURER. The Treasurer shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association or managing agent and such depositories as may from time to time be designated by the Board of Directors. In general, he shall perform all the duties incident to the office of Treasurer.

22. COMPENSATION OF OFFICERS. Officers shall receive no compensation for their services unless expressly allowed by the Association.

23. MANAGING AGENT. The Association, acting through the Board of Directors, may delegate all or any portion of its authority to manage the property and to provide for reasonable compensation of such manager or managing agent.

24. MINUTES. The Board of Directors shall keep minutes of its proceedings.

25. COMMON EXPENSES AND ASSESSMENTS. It shall be the duty of every unit owner to pay his proportionate share of the expenses of administration, insurance, operation, maintenance and repair of the common elements and facilities and of the other expenses as determined by the Association. Such proportionate

share shall be in the same ratio as his percentage interest in the common elements and facilities as set forth in Article X, Section VII of the Declaration of Covenants, Conditions and Restrictions for River Heights Condominiums, Inc. Payments thereof shall be in such amounts and at such times as may be determined by the Association acting through the Board of Directors.

26. PREPARATION OF ESTIMATED BUDGET. Each year, on or before December 1, the Board of Directors of the Association shall estimate the total amount necessary to pay the costs of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services together with a reasonable amount considered by the Board of Directors to be necessary for a reserve for contingencies and replacements and shall, on or before December 15, notify each owner in writing as to the amount of such estimate with reasonable itemization thereof. Such "estimated cash requirement" shall be assessed to the owners according to each owner's percentage of ownership in the common elements and facilities as set forth in Article X, Section VII of the Declaration of River Heights Condominiums, Inc. On or before January 1 of the ensuing year, and the first of each and every month of said year, each owner shall be obligated to pay to the Association or as it may direct one-twelfth of the assessment made pursuant to this paragraph. On or before the date of the annual meeting of each calendar year, the Board of

Directors shall supply to all owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves, shall be credited according to each owner's percentage ownership interest in the common elements and facilities to the next month on installments due from owners under the current years estimate until exhausted and any net shortage shall be added according to each owner's percentage of ownership of the common elements and facilities to the installments due in the succeeding six months after rendering of the accounting.

27. RESERVE FOR CONTINGENCIES AND REPLACEMENTS. The Board of Directors shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any owner's assessment, the Board of Directors may, at any time, levy a further assessment which shall be assessed to the owners according to each owner's percentage of ownership in the common elements or facilities. The Board of Directors shall serve notice of such further assessment on all owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become

effective with the monthly maintenance payment which is due more than ten days after delivery or mailing of such notice of further assessment. All owners shall be obligated to pay the adjusted monthly account.

28. BUDGET FOR FIRST YEAR. When the first Board of Directors is elected after Declarant turns over control to the unit owners, they shall determine the "estimated cash requirement", as hereinabove defined, for the period commencing 30 days after said election occurs. Assessments shall be levied against the owners during said period as provided in paragraph 26. Prior to Declarant surrendering control, Declarant shall prepare an estimated cash requirement which shall be imposed until the unit owners' Board is elected.

29. FAILURE TO PREPARE ANNUAL BUDGET. The failure or delay of the Board of Directors to prepare or serve the annual budget or adjusted estimate on the owner shall not constitute a waiver or release in any manner of such owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the owner shall continue to pay the monthly maintenance charge at the then existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten days after such new annual or adjusted estimate shall have been mailed or delivered.

30. BOOKS AND RECORDS. The Board of Directors shall keep full and correct books of account, and the same shall be open for

inspection by any owner or any representatives of an owner duly authorized in writing, at such reasonable time or times during normal business hours as may be required by the owner. Upon ten days notice to the Board of Directors and payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

31. REMEDIES FOR FAILURE TO PAY ASSESSMENTS. If any owner is in default in monthly payment of the aforesaid charges or assessments for 30 days, the members of the Board of Directors may bring suit to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorney's fees to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent or unpaid assessments and interest, costs and fees as above provided shall be and become a lien or charge against the unit ownership of the owner involved when payable, and may be foreclosed by an action brought by the members of the Board of Directors as in the case of foreclosure of liens against real estate. The Board of Directors shall have the power to bid in the interest so foreclosed at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. Said lien shall take effect and be in force when and as provided in the "Condominium Ownership Act" of the State of Wisconsin; provided, however, that encumbrances owned or held by any bank, insurance company or savings and loan association shall

be subject to priority, after written notice to said encumbrancer of unpaid common expenses, only to the lien of all common expenses on the encumbered property only from the date the encumbrancer either takes possession of the unit, accept a conveyance of any interest therein, or has a receiver appointed in a suit to foreclose its lien. Any encumbrancer may, from time to time, request in writing a written statement from the Board of Directors setting forth the unpaid common expenses with respect to the unit covered by his encumbrance and unless the request shall be complied with within 20 days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrance. Any encumbrancer holding a lien on a unit may pay any unpaid common expenses payable with respect to such unit and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid at the same rank as the lien of his encumbrance.

32. FAILURE TO ENFORCE DOES NOT ABROGATE. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

33. BORROWING. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the common elements and facilities without the approval of the members of the Association provided, however, that the Board shall obtain membership approval in the same manner as for

amending the By-Laws in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities or the total amount of such borrowing exceeds or would exceed \$10,000.00 outstanding debt at any one time.

34. AMENDMENT. These By-Laws may be amended at any time by a vote of two-thirds of the unit owners, but no amendment shall be inconsistent with the provisions of Chapter 703 of the Wisconsin Statutes, and no amendment adopted by fewer than 100% of the unit owners shall be inconsistent with any provision of the Declaration which can only be amended with the approval of no fewer than 100% owners of the units.

SPECIAL INSTRUCTION

PLEASE NOTE: The number of directors, or the manner in which that number is determined, must be established either in these articles of incorporation OR in the by-laws of the corporation. You may USE ONE of the following "Article 8" and CROSS OUT the one that is not used, or substitute wording of your choice.

~~Article 8. The number of
directors shall be ---
(Not less than three)~~

Article 8. The number of
directors shall be fixed by
by-law but shall be not less
than three.

Article 9. The names and addresses of the initial Board
of Directors are:
(Include street & number, city, state
and ZIP Code)

David E. Peterson
4980 N. County Road 18
Suite 101
Minneapolis, Minnesota 55428

Hewitt L. Peterson
4980 N. County Road 18
Suite 101
Minneapolis, Minnesota 55428

Robert W. Mudge
430 2nd Street
Hudson, Wisconsin 54016

Article 10. (Membership provisions) The members shall be those individuals,
entities, or corporations as provided for in the
Declarations of Covenants, Conditions and Restrictions
for River Heights Condominiums.

Article 11. (Other provisions) None.