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REGISTERS OFFICE

ST. JOSEPH COUNTY, WIS.

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DATE 10/19/83

TIME 3:00 PM

BY JAMES O. ...

RECORDED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR RIVER HEIGHTS CONDOMINIUMS

This Declaration of Covenants, Conditions and Restrictions

is made this , at day of JANUARY , 1983, by River Heights Partnership, a Minnesota limited partnership, herein after referred to as "DECLARANT".

WITNESSETH: Declarant is owner of the real property described in the Plat marked Exhibit A attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential units within River Heights Condominiums. Declarant is always to provide a flexible and reasonable procedure for the overall development of the property and the interrelationships of the component residential associations and to establish a method for the administration, maintenance, preservations, use and enjoyment of such property as is now or may hereafter be submitted to this Declaration.

NOW THE BEFORE, Declarant hereby declares that all the property described in Exhibit A and any additional property as may by subsequent amendment be added and subjected to this Declaration shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property submitted to this Declaration and which shall be binding on all parties having any right, title or interest in the described properties or any part thereof.

ARTICLE I

) DEFINITIONS

Section 1 "Association" shall mean and refer to River Heights Condominiums, Inc., a Wisconsin non-profit organization, its successors and assigns.

Section 2 - "Properties" shall mean and refer to the real property described in Exhibit A attached hereto and shall further apply to such additional property as may hereafter be annexed by amendment to this Declaration or which is owned in fee-simple by the Association.

Section 3 "Owner" shall mean the record owner, whether one or more persons or entities of a fee-simple title to any unit which is a part of the Property, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 4 "Common area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners.

Section 5 "Limited Common Area" shall mean that portion of real and personal property owned by the Association but designated for the exclusive use of a particular unit owner.

Section 6 "Residential Unit" shall mean any portion of the properties intended for any type of independent ownership for use and occupancy as a residence by a single household and shall, unless otherwise specified, include within its meaning in way of illustration but not limitation, condominium units, apartment and

cooperative units, patio or zero lot line homes, as may be developed, used and defined as herein provided or as provided in subsequent declarations covering all or part of the properties.

Section 7 "Area of common responsibility" shall mean and refer to the common area together with those areas if any which by contract with any residential or condominium association with any commercial establishment or association or with any apartment building owner or cooperative within River Heights Condominiums become the responsibility of the Association. In addition, any manager's office located on the Property shall be part of the area of common responsibility.

Section 8 "Common expenses" shall mean and include the actual and estimated expenses of operating the Association including any reasonable reserve all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws and the Articles of Incorporation.

Section 9 "Members" shall mean and refer to a person or entity entitled to membership in the Association as provided herein.

Section 10 "Mortgage" shall mean any mortgage or other security instrument by which a unit or any part thereof or any structure thereon is encumbered.

Section 11 "Mortgagee" shall mean any person or entity named as the mortgagee under any such mortgage or any successors or assigns to the interest of such person or entity under such mortgage.

Section 12 "Board" shall refer to the Board of Directors of the Association duly elected by the members of the Association .

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1 The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Hudson, County of St. Croix, State of Wisconsin, and is more particularly described as follows:

Lot 1, Block 1, River Heights Addition to the City of Hudson, according to the Plat thereof filed in Volume 4 of Plats, page 82, Document Number 367359 in the office of the Register of Deeds of st. Croix County, Wisconsin.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1 Membership . Every owner of a unit subject to assessment except as herein provided to the contrary shall be entitled and required to be a member of the Association . If right to possession of a unit, whether by deed, lease, assignment or title, is held by more than one person, each of such persons shall be a member. An owner of more than one unit shall be

entitled to one membership for each such unit. Each such membership shall be appurtenant to the unit upon which it is based and shall transfer automatically by voluntary or involuntary conveyance of the right to possession of that unit. No person or entity other than an owner or Declarant may be a member of the Association and a membership in the Association may not be transferred except in connection with the transfer of right to possession to that unit.

Section 2 Transfer. A membership in the Association shall not be transferred, pledged or alienated in anyway except upon the transfer of the record right to possession of a unit and then only to such transferee by assignment, intestate succession, testamentary disposition, foreclosure of mortgage of record, or other legal process. It shall be the responsibility of each owner, upon becoming entitled to membership, to so notify the Association in writing, and until so notified, the Association may continue to carry the name of the former owner as a member, in its sole discretion. Any attempt to make or prohibit a transfer is void and will not be reflected upon the books nor records of the Association. In the event the owner of any unit should fail or refuse to transfer the membership registered in his name to the transferee of the right to possession of such unit, the Association shall have the right to record the transfer upon the books of the Association and issue a new membership to the transferee and thereupon the old membership outstanding in the name of the transferor shall be null and void as though the same had been surrendered.

Section 3 Voting. The Association shall have two classes of voting membership.

a. Class A. Class A memberships shall be all owners of units, with the exception of the Declarant, prior to termination of Class B membership, and shall be entitled to one vote for each unit to which they have the right to possession. *When* more than one person has the right to possession to any unit, all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one unit. There can be no split. Prior to or at the time of any meeting at which a vote is to be taken, each co-owner or other person entitled to a vote at such meeting shall file with the Secretary of the Association the name of the voting co-owner or other person entitled to a vote at such meeting, unless such co-owner or other persons have filed a general voting authority with the Secretary applicable to all votes until rescinded.

b. Class B. The Class B member shall be the Declarant, who shall be entitled to 64 votes representing one vote for each proposed unit herein. As each unit is sold, Declarant's Class B votes shall be reduced accordingly. As real property is added to the Association pursuant to the expansion provisions of Article IX, the developer will receive the following number of votes depending on which parcel or parcels are added as set out on Exhibit A:

Outlot 2	8 votes
Lot 2	8 votes
Lot 3	32 votes
Lot 4	48 votes

The Class B membership shall cease on the happening of either of the following events, whichever occurs first:

(1) When the total outstanding Class A votes equal the total votoo\,gutstanding in the Class B membership; or

(2) Ten years from the date of the filing of this Declaration.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be Class A members entitled to one vote for each unit in which the interest required for membership under Section 1 hereof is held. At such time the Declarant shall hold a meeting as provided in the By-Laws for special meetings to advise the membership of the termination of Class B status.

Section 4 Suspension of voting rights. In the event any owner shall be in arrears in the payment of any amount due under any of the provisions of this Declaration for a period of fifteen (15) days, or shall be in default in the performance of any of the terms of this Declaration for a period of fifteen (15) days, such owner 's right to vote as a member of the Association shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

ARTICLE IV.

PROPERTY AND UNITS

Section 1 Units: Description and ownership. The legal description of each unit shall consist of the identifying number or symbol of such unit as shown on the Plat attached hereto as Exhibit A. Every deed, lease, mortgage or other instrument may legally describe a unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes as provided for in the Declaration. Each unit shall consist of the space enclosed and bounded by the horizontal and vertical planes set forth in the delineation thereof as shown on the Plat, a copy of which is attached hereto and marked Exhibit B, c, and D. Except as otherwise provided by the Declaration, no unit owner shall by deed, plat or otherwise subdivide or in any other manner cause his unit to be separated into any tract or parcels different from the whole unit as shown on the Plat. Each unit in the condominium shall consist of the designated area shown on the Plat, attached hereto as Exhibit A, and shall generally include one story or one story with a loft along with use of a garage and with boundaries beginning from the inside walls.

Section 2 Certain structures not constituting part of a unit. No unit owner shall own any pipes, wires, conduits, public utility lines or other structural components running through his unit and serving more than his unit, whether or not such items

) shall be located in the floors, ceilings or perimeter or interior walls of the unit except as a tenant-in-conunon with all other unit owners .

ARTICLE V.

COMMON ELEMENTS: LIMITED COMMON ELEMENTS

Section 1 Ownership of common elements. Each unit shall be entitled to and own an undivided interest in the conunon elements as a tenant-in-conunon with all other unit owners of the property and except as otherwise limited in this Declaration shall have the right to use the conunon elements for all purposes incident to the use and occupancy of such owner 's unit as a place of residence, and such other incidental uses permitted by this Declaration, which rights shall be appurtenant to and run with his unit. The extent or amount of such ownership shall be expressed by a percentage amount. The percentage ownership may be changed upon unanimous written approval of all the unit owners in the form of an amended declaration duly recorded. Said percentage ownership will also change upon expansion of the Condominium {see Article IX). In the event of a condemnation by public authority as hereinafter provided or of loss as provided in Article VIII, the percentage ownership may be changed to conform with the provisions set forth therein. The Declarant has so determined each unit's corresponding percentage of ownership in the common elements as set forth in Article III and Article IX herein. The undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be deemed to be leased, conveyed or encumbered with the unit even

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though such interest is not expressly mentioned or described in the conveyance or other instrument.

Section 2 No partition of common elements. There shall be no partition of the common elements through judicial proceedings or otherwise until this Declaration is terminated and the property is withdrawn from its terms or from the terms of any statute applicable to condominium ownership.

Section 3 Common elements description. The common elements shall be designated and set forth on Exhibit A attached hereto and shall consist of all real property except the individual units and limited common elements as they are defined herein. Included as a common element shall be the grounds located underneath each unit extended to a point four (4) feet beyond the plan of a line running perpendicular to the surface of the ground to the exterior edge of the eave of the roof, it being intended by this provision to provide adequate lands for placement of ladders for work on the structure and to provide areas for placement of service facilities for each unit.

Section 4 Limited common elements description. The limited common elements shall be as designated and set forth on Exhibit A attached hereto and shall be identified thereon as to type, extent and unit or units to which the limited common element is assigned. Fixtures designed to serve a single unit and located contiguous to the boundary of the unit shall be deemed to be a limited common element appertaining to that unit exclusively and need not be shown on Exhibit A.

ARTICLE VI

GENERAL PROVISIONS AS TO UNITS AND COMMON ELEMENTS

Section 1 No severance of ownership. No owner shall execute any deed, mortgage, lease or other instrument affecting title to his unit ownership without including therein both his interest in the unit and his corresponding percentage of ownership in the common elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other, shall be deemed and taken to include the interest so omitted, even though the latter is not expressly mentioned or described therein.

Section 2 Use of the common elements. Subject to the provisions of Section 4 of this Article, each unit owner shall have the right to use the common elements in common with all other unit owners, as may be required for the purposes of ingress and egress to, and use occupancy and enjoyment of, the respective unit owned by each unit owner, and to the use and enjoyment of common facilities. Such rights shall extend to the unit owner and the members of the immediate family and guests and other authorized occupants and visitors of the unit owner. The use of the common elements and the rights of the unit owners with respect thereto shall be subject to and governed by the provisions of the Declaration and the By-Laws and rules and regulations of the Board of Directors. The Board of Directors shall have the authority to lease or rent or grant licenses or

) concessions with respect to the storage areas, laundry or other parts of the common elements, subject to the provisions of this Declaration and the By-Laws and rules and regulations of the Board.

Section 3 Maintenance of common elements; determination and payment of assessments. Except as otherwise provided herein, management, repair, alteration and improvement of the common elements shall be the responsibility of the Board. It shall be the duty of every unit owner to pay his proportionate share of the expenses of maintenance, repair, replacement, administration, insurance and operation of the Common Elements and facilities and of the other expenses as determined by the Board. 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 7. Payment thereof shall be in such amount and at such times as may be determined by the By-Laws and/or rules and regulations of the Board. In the event of the failure of a unit owner to pay such proportionate share when due, the amount past due shall constitute a lien on the interest of such unit owner.

Section 4 Easements.

) A. Encroachments. In the event that, by reason of the construction, settlement or shifting of any building, or the design or construction of any unit, any part of the common elements encroaches or shall hereafter encroach upon any part of any unit, or any part of the unit encroaches or shall hereafter

) encroach upon any part of the common elements or any other unit, or if by reason of the design or construction of utility systems, any main pipes, ducts or conduits serving more than one unit encroach or shall hereafter encroach upon any part of any unit, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such unit and the common elements, as the case may be, so long as all or any part of the building containing such unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of the owner of any unit or in favor the owners of the common elements if such encroachment occurred due to the willful conduct of said owner or owners.

B. Easements for Utilities. Northern States Power; Wisconsin Telephone, the city of Hudson and all other public utilities serving the property are hereby granted the right to install, lay, construct, operate, maintain, renew, repair or replace, conduits, cables, pipes, and wires and other equipment into, over, under, along and on any portion of the common elements for the purpose of providing the property with utility services, together with the reasonable right of ingress to and egress from the property for said purpose. The Declarant prior to the creation of the Board and the Board thereafter may hereafter grant other or additional temporary or permanent easements for utility or other purposes over, under, along and on any portion of said common elements, and each unit owner hereby

) grants the Declarant prior to the creation of the Board and the Board thereafter an irrevocable power of attorney to execute, acknowledge and record or register in the name of such unit owner, such instruments as may be necessary or appropriate to effectuate the foregoing. Easements are also hereby declared and granted to install, lay, operate, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of a unit whether or not such walls lie in whole or in part within the unit boundaries.

C. Easements to run with the land. All easements and rights described herein are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any unit owner, purchaser, mortgagee and other person having any interest in the property or any part or portion thereof. Reference in any deed of conveyance or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Article, or described in any other part of this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements were recited fully and set forth in their entirety in such documents.

D. Easements for police and fire protection. A perpetual easement is hereby granted for the free and

uninterrupted access to the grounds hereinbefore described for any and all legally designated law enforcement agencies and fire departments for the performance of their duties.

E. Easements for post office. A perpetual easement is hereby granted for the free and uninterrupted access to the grounds, drives and walkways hereinbefore described for any and all legally designated representatives of the United States Postal Service for the performance of their duty.

Section 5 Limited common areas.

A. Garages. All garages, if any, shall be a part of the common elements and not a part of any individual unit, however, each unit owner shall be entitled to the exclusive use and possession of that garage, if any, direct access to which is provided and which is/are located outside of his respective unit; unless and until such time as the Board as hereinafter provided determines to the contrary, each unit owner shall be responsible for repair, maintenance and appearance of the garages, the exclusive use and possession whereof is extended hereby, at his own expense, including (without limitation) responsibility for breakage, damage, malfunction and ordinary wear and tear. A unit owner shall not paint, or otherwise decorate or adorn or change the appearance of any such garage, in any manner contrary to such rules and regulations as may be established by the said Board of Association.

Section 6 Separate mortgages of units. Each unit owner shall have the right to mortgage or encumber his own respective

unit, together with his respective ownership interest in the common elements. No unit owners shall have the right or authority to mortgage or otherwise encumber in any manner whatsoever the property or any part thereof, except his own unit and his own respective ownership in the common elements as aforesaid.

Section 7 - Utilities. Each unit owner shall pay for his own telephone, electricity, and other utilities which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the common expenses.

Section 8 Insurance; unit owners. Each unit owner shall be responsible for his own insurance on the contents of his own unit, and his additions and improvements thereto in decorating and furnishings and personal property therein, and his personal property stored elsewhere on the property and his personal liability, all to the extent not covered by the fire and liability insurance for all of the unit owners obtained as part of the common expenses as provided below. The Board shall not be responsible for obtaining insurance on any additions, alterations or improvements made by any unit owner to his unit unless and until such unit owner shall request the Board in writing to so do, and shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto; and upon the failure of such unit owner to do so, the Board shall not be obligated to apply any insurance proceeds to

) restore the affected unit to a condition better than the condition existing prior to the making of such additions, alterations or improvements. Each unit owner hereby waives and releases any and all claims which he may have against any other unit owner, the Board, its officers, members of the Board, the Declarant, the manager and managing agent of the building, if any, and their respective employees and agents, for damage to the common elements, the units, or to any personal property located in the units or common elements, caused by fire or other casualty to the extent that such damage is covered by fire and other form of casualty insurance.

Section 9 Maintenance, repairs and replacement of units.

A. By the Association. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of those portions, if any, of each unit which contribute to the support of any building, excluding however interior **wall**; ceiling and floor surfaces. In addition, the Association shall maintain, repair and replace all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which may be located within the unit boundaries as specified in Article 4, Section 1 and 2, exclusive of any portions of the foregoing which may be located at or beyond the wall outlets, or which may be the responsibility of an individual owner under any other provisions of this Declaration.

B. By the owner. Except as otherwise provided in paragraph A above, each unit owner shall furnish at his own expense, and be responsible for the following:

1. All of the maintenance, repairs and replacement³ within his own units and all the doors and windows appurtenant thereto, and all internal installations of such units such as refrigerators, ranges and other kitchen appliances, lighting fixtures and other electrical fixtures, appliances and heating, plumbing and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the unit boundaries as specified in Article 4, Sections 1 and 2, provided, however, such maintenance, repairs and replacements as may be required for the bringing of water, gas and sewer service or electricity to the unit, shall be furnished by the Association as part of the common expenses. The Board may provide, by its rules and regulations, for ordinary maintenance and minor repairs and replacements to be furnished to units by personnel as a common expense.

2. All of the decorating, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each unit owner shall be entitled to the exclusive use of such portions of the perimeter walls, floors and ceilings as lie within the boundaries of his unit as shown on the Plat, and such unit owner shall maintain such portions in good condition at his sole expense as may be required from time to time, which said maintenance and use shall

) be subject to the rules and regulations of the Board. The interior and exterior surfaces of all windows forming part of a perimeter wall of a unit shall be cleaned or washed at the expense of each respective unit owners.

3. The use of and the covering of the interior surfaces of such windows, whether by draperies, shades or other items visible on the exterior of the building, shall be subject to the rules and regulations of the Board. Decorating of the common elements other than interior surfaces within the units as above provided, and any redecorating of units to the extent made necessary by any damage to existing decorating of such units caused by maintenance, repair or replacement work on the common elements by the Board, shall be furnished by the Board as part of the common expenses. Exterior roofing and exterior painting shall be the expense of the individual unit owner as hereinbefore provided. Nothing herein contained shall be construed to impose a contractual liability upon the Board for maintenance, repair and replacement. The respective obligations of the Board and unit owners set forth in this Declaration shall not be limited, discharged or postponed by reason of the fact that any such maintenance, repair or replacement required to cure a latent or patent defect in material or workmanship in the construction or location of a structure on the property, nor because they may become entitled to the benefit of any construction guarantee or proceeds under policies of insurance.

Section 10 Negligence of owner. If, due to the negligent act or omission of a unit owner, or of a member of his family or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the common elements or to a unit or units owned by others or maintenance, repairs or replacements shall be required which would otherwise be at the common expense, then such unit owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board, subject to the rules, regulations and By-Laws of the Board.

Section 11 Joint facilities. To the extent that equipment, facilities and fixtures within any unit or units shall be connected to similar equipment, facilities or fixtures affecting or serving other units or the common elements, then the use thereof by the individual unit owner shall be subject to the rules and regulations of the Board. The authorized representatives of the Board, or of the manager or managing agent for the building, shall be entitled to reasonable access to the individual units as may be required in connection with maintenance, repairs or replacement, or to the common elements or any equipment, facilities or fixtures affecting or serving other units or the common elements.

ARTICLE VII.

COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY.

Section 1 The units and common elements shall be occupied and used as follows:

A. Purpose. No part of the property shall be used for other than housing and related common purposes for which the property was designed. Each unit or any two or more adjoining units used together shall be used as residence for a single family or such other uses permitted by this Declaration and for no other purpose. That part of the common elements separating any two or more adjoining units used together as aforesaid may be altered to afford ingress and egress to and from such adjoining units in such manner and upon such conditions as shall be determined by the Board in writing. Occupancy of any unit for purposes of sleeping and residential recreational use shall be limited to a total number of persons determined as follows: A maximum of two persons per bedroom plus an added two persons for the unit. Permission may be given by the Board for temporary use by a greater total number of persons for a limited period of time.

B. Obstruction of common elements. There shall be no obstruction of the common elements, nor shall anything be stored in the common elements without the prior consent of the Board, except as hereinafter expressly provided. Each owner shall be obligated to maintain and keep in good order and repair his own unit.

C. Hazardous uses and wastes. Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on the property, or contents thereof, without the prior written consent of the Board. No owner shall permit anything to be done or kept in his unit or in the common

) elements which will result in the cancellation of insurance on the property, or contents thereof, or which would be in violation of any law. No waste shall be committed in the common elements.

D. Exterior exposure of building. Owners shall not cause nor permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the building, and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board.

E. Impairment of structural integrity of building. Nothing shall be done in any unit or in, on or to the common elements which will impair the structural integrity of any building or which would structurally change any building except as is otherwise provided herein. No unit owner shall overload the electrical wiring in the buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others.

F. Use. The real estate covered by this Declaration includes therein present and possible future recreational areas and facilities. Unit owners, members of their immediate families, guests and invitees may use these common elements designated for nature trails, walkways, playgrounds, parks, allied recreational areas and facilities may be used for intended purposes, including where allowed, the playing, placement of benches or chairs, and allied reasonable use thereof provided

) said use does not interfere with the use and enjoyment of the common elements by the other unit owners.

G. Pets. No pets shall be allowed unless by express written permission of the Board.

H. Signs; sales. The right is reserved by the Declarant or its agent to place for sale or for rent signs on any unsold or unoccupied units, and to place such other signs on the property as may be required to facilitate the sale of unsold units. The right is hereby given to the Board or its representatives to place for sale or for rent signs on any unit or on the property, for the purpose of facilitating the disposal of units by any owner, mortgagee, or the Board.

I. Alterations of common elements. Nothing shall be altered or constructed in or removed from the common elements except upon the written consent of the Board.

Section 2 The By-Laws shall govern the management and operation of the condominium, except as otherwise provided in this Declaration, including any restriction on or requirement respecting the use and maintenance of the units and the common elements.

ARTICLE VIII.

Damage OR DESTRUCTION AND RESTORATION OF BUILDINGS

Section 1 Insurance.

A. Sufficient insurance. In the event the improvements forming a part of the property, or any portion thereof, including any unit, shall suffer damages or destruction from any cause and the proceeds of any policy or policies insuring against such loss, or damage, and payable by reason thereof shall be

sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds shall be applied by the Board or the payee of such insurance proceeds and payment therefor; provided, however, that in the event, within sixty (60) days after said damage, or destruction, shall occur, the unit owners elect either to sell the property as hereinafter provided or to withdraw the property from the provisions of this Declaration and from then such repair, restoration or reconstruction shall be not undertaken.

B. Insufficient insurance. In the event the property or the improvements thereon so damaged are not insured against the risk causing the loss or damage, or the insurance proceeds are not sufficient to pay the cost of repair , restoration or reconstruction, and the unit owners and all other parties and interests do not voluntarily make provision for reconstruction of the improvements within ninety (90) days after said damage or destruction shall occur, then the condominium shall be subject to an action for a partition upon obtaining the written consent of the unit owners having seventy-five (75%) percent or more of the votes. In the case of partition, the net proceeds of sale together with any net proceeds of insurance shall be considered as one fund and shall be divided among all unit owners in proportion to their percentage interest in the common elements, and shall be distributed in accordance with the priority of interests in each unit.

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C. Additional insurance. Any owner may, at said owner's option carry additional insurance on his unit including coverage for any substantial improvements made therein.

D. Any vote of the owners required under this section shall require the affirmative vote of the owners having seventy-five (75%) percent or more of the votes plus seventy-five (75%) percent of the mortgagees.

Section 2 Substantial restoration. Repair, restoration or reconstruction of the improvements, as used in this Article, means restoring the improvements to substantially the same condition in which they existed prior to the fire or other disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before.

ARTICLE IX.

EXPANSION PROVISIONS

Section 1 Reservation of Rights. Pursuant to Wisconsin Statutes Section 703.26, Declarant hereby reserves the right to expand the number of total units and add additional real property in a manner as set out on Exhibit A.

Section 2 Location. The units that have been set out on Exhibit A as expansion areas are strictly for reference as to the area where units may be added in the future.

Section 3 Description of units. Declarant reserves the right to change the design of future buildings, units and structures as Declarant sees fit but said units and structures

) shall be consistent with the overall development of River Heights Condominiums.

Section 4 Expansion on presently conveyed real estate.
Declarant reserves the right to add an additional forty-eight (48) units to Lot 1 on Exhibit A in whatever manner and style Declarant deems appropriate. Declarant specifically reserves the right to add any or all of the additional proposed expansion areas set out in Exhibit A to River Heights Condominiums prior to completion of all sixty-four (64) units proposed for Lot 1. Declarant further reserves the right to add units to the additional proposed expansion areas set out on Exhibit A prior to completion of all sixty-four (64) units proposed for Lot 1.

Section 5 Number of units. Declarant states that the total number of units that may be added should not exceed the number set out on Exhibit A in each proposed expansion area.

Section 6 Voting rights. The units that may be added as set out in Exhibit A shall have voting rights appurtenant to said unit on the same basis as set out in Article III, Section 3(a) as the units are sold.

Section 7 Percentage interest. The percentage interest of each unit owner as set out in Article X, Section 8, will change if any expansion areas are added to the Association. Each time an expansion area is added, it will necessitate the recalculation of the then present unit owners percentage interest along with the percentage interest of the developer, in the following manner: As each proposed expansion area as set out on

) Exhibit A is added, then the total votes of the Association shall be increased by the number of proposed units for that particular area. Initially, the developer will receive these votes, but as each unit is sold, that vote will be transferred to the new unit owner. The percentage interest of each unit owner will be the same as the relationship of the number of units he owns to the number of votes authorized at any given time.

Section 8 Time limitation. Declarant has no longer than ten (10) years to implement said expansion plan.

Section 9 Flexibility. Declarant is under no obligation to expand as set out in this Article, and any expansion will be strictly at the discretion of Declarant.

ARTICLE X.

GENERAL PROVISIONS

Section 1 Declarant's initial rights. Until such time as the Board of Directors provided for in this Declaration is formed, and until thirty (30) days after Declarant shall have consummated the sale of units aggregating seventy-five (75%) percent of all unit omerships computed as set forth in Article III, the Declarant, or its successor, or assigns, shall exercise the powers, rights, duties and functions of the Board of Directors and Association; provided, however, that the Declarant may relinquish such said powers, rights, duties and functions at any time after consummating the sale of units aggregating fifty-one (51%) percent of all unit ownerships computed as set forth in Article III.

Section 2 Notice to mortgage lenders. Upon written request to the Board, the holder of any duly recorded mortgage or trust deed against any unit ownership shall be given a copy of any and all notices permitted or required by this Declaration to be given to the owner or owners whose unit ownership is subject to such mortgage or interest deed.

Section 3 Service of notices on devisees and personal representatives. Notices required or desired to be given to any devisee or personal representatives of a deceased owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein the estate of such deceased owner is being administered.

Section 4 Covenants to run with the land. Each grantee of the Declarant by the acceptance of a deed of conveyance, or each purchaser under Articles of Agreement for warranty deed or land contract or any contract for any deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and Obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land and shall inure to the benefit of such owner in like manner as though the provisions to the Declaration were recited and stipulated at length at each and every deed of conveyance.

) Section 5 Non-waiver of covenants. No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations. or breaches which may occur at any time.

Section 6 Waiver of damages. Neither the Declarant nor its representatives or designees shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities, reserved, granted or delegated to it by, or pursuant to this Declaration or in the Declarant's capacity as developer, contractor, owner, manager or seller of the property, whether or not such a claim shall be asserted by any owner, occupant, the Board or the Association, or by any person or entity claiming through any of them; or shall be on account of injury to person or damage to or loss of property wherever located and however caused. Without limitation to the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the property or any part thereof being or becoming out of repair or containing any patent or latent defects, or by reason of any act or neglect of any owner, occupant, the Board, the Association, and their respective agents, employees, c:uests, and invitees, or by reason of any neighboring property or personal property located on or about the property, or by reason of the failure to function, or disrepair of, any utility services, heat, air conditioning, electricity, gas, water, sewage, etc. In the event of any dispute, claim or cause of action arising between a unit owner and Declarant, its successors or assigns, the Declarant, its successors or assigns, shall have

) the option to settle same in full by repurchasing the unit from unit owner for a sum equal to unit owner's original purchase price plus an amount equal to two (2%) percent of said purchase price.

Section 7 Percentage interest. The percentage interest of undivided ownership in the common elements which is appurtenant to each unit shall be established by the direct relation of the number of units in the condominium as a whole.

Section 8 Resident agent. The Declarant hereby designates Robert W. Mudge, of Gwin, Gilbert, Gwin, Mudge & Porter, Attorneys at Law, 430 Second Street, Hudson, Wisconsin, 54016, as its resident agent for receipt of service of process on behalf of River Heights Condominiums, Inc. The Board shall have the power to appoint a successor resident agent at whatever time they deem appropriate.

Section 9 Amendments to Declaration. The provisions of this Declaration may be changed, modified or rescinded by instrument in writing setting forth such change, modification or rescission, only by a vote of seventy-five (75%) percent of the unit owners and the mortgagees having bona-fide liens of record against unit ownerships. Such change, modification or rescission shall be effective upon recording of such instrument in the office of the Register of Deeds of St. Croix County, Wisconsin, provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the

) provisions of the Condominium Ownership Act, Chapter 703, of the Wisconsin Statutes.

Section 10 Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first-class condominium residential development. All issues of law relating to this condominium shall be decided on the basis of Wisconsin Statutes Chapter 703. In the event of any controversy arising under this Declaration, same shall be submitted to arbitration under the laws of the State of Wisconsin, as a prerequisite to the commencement of any legal proceeding. Such arbitration shall be before one disinterested arbitrator if one can be agreed upon otherwise before three disinterested arbitrators, one named by the party or parties contesting the matter at issue, and one by the two thus chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of the State of Wisconsin as applied to the facts found by him or them. The expense of arbitration proceedings conducted hereunder shall be borne equally by the parties. All arbitration proceedings hereunder shall be conducted in Hudson, St. Croix County, Wisconsin.

Section 11 Indemnity to Board members. The members of the Board and officers thereof or of the Association shall not be liable to the unit owners for any mistake of judgment or any acts or omissions made in good faith as such members or officers. The

unit owners shall indemnify and hold harmless each of such members or officers against all contractual liability to others arising out of contracts made by such members or officers on behalf of the unit owners or the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. Such members or officers shall have no personal liability with respect to any contract made by them on behalf of the unit owners or the Association. The liability of any unit owner arising out of any contract made by such members or officers or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his percentage interest in the common elements bears to the total percentage interest of all unit owners in the common elements. Each agreement made by such members or officers or by the managing agent on behalf of the unit owners or the Association shall be executed by such members or officers or the managing agent, as the case may be, as agents for the unit owners or for the Board or Association.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

A. Books. The Board shall keep full and correct books of account at the office of the managing agent, Treasurer or in such other place as the Board of Directors may from time to time determine, and the same shall be open during reasonable business hours to inspection by a member or a representative of a member.

) B. Quiet enjoyment. The member, upon paying the assessment and performing the covenants and complying with all the conditions of the member to be performed as herein set forth, shall, at all times during his or her ownership, quietly hold and enjoy the exclusive use of his or her respective unit and non-exclusive use of the common elements specified, without any suit, trouble or hindrance from the Board or its members.

C. Persons entitled to enforce Declaration. The Association, acting by authority of the Board, and any member of the Association shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration against any property within the Association and the owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration.

D. Violations constitute a nuisance. Any violation of any provisions, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any person entitled to enforce the provisions of this Declaration.

E. Violations of law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation,

) pertaining to the ownership, occupation or use of any property within the Association area is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

F. Remedies cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

G. Costs and attorneys fees. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorney's fees.

H. Governing law. This Declaration shall be construed, and governed under the laws of the State of Wisconsin.

I. Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or partial thereof shall not affect the validity or enforceability of any other provision.

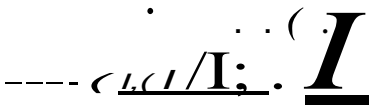
J. Number and gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

K. Captions for convenience. The titles, headings and captions used in these Declarations are intended solely for convenience of reference and shall not be considered in construing any of the provisions of these Declarations.

IN WITNESS WHEREOF, Declarant has executed these Declarations the day and year first above written.

RIVER HEIGHTS PARTNERSHIP,
a Minnesota partnership by
H.L.P. Corporation, General Partner

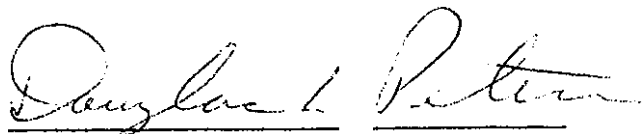

Hewitt L. Peterson, President


David E. Peterson, Vice President
Secretary

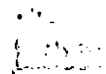
ACKNOWLEDGEMENT

STATE OF MINNESOTA)) SS
HENNEPIN COUNTY)

Personally came before me this 2nd day of January, 1983,
Hewitt L. Peterson, President, and David E. Peterson, Vice
President - Secretary, of the above named partnership, to me
known to be such President and Vice President - Secretary of
said partnership, and acknowledged that they executed the
foregoing instrument as such officers as the deed of said
partnership by its authority.



Notary Public, State of Minnesota.
My Commission _____



THIS INSTRUMENT DRAFTED BY:
Robert W. Mudge, Attorney
Gwin, Gilbert, Gwin, Mudge & Porter
430 Second Street, P.O. Box 106
Hudson, Wisconsin 54016