

**BYLAWS OF
RESTON HEIGHTS NEIGHBORHOOD ASSOCIATION, INC.**

ARTICLE I. OFFICES AND PURPOSES

Section 1.01 Principal Office. The principal office of the Reston Heights Neighborhood Association, Inc. (the Association) shall be located in Dane County, Wisconsin.

Section 1.02 Purposes. The purposes of the Association are stated in the Association's articles of incorporation and generally relate to the ownership, operation, repair and maintenance of certain common elements in the plat of Reston Heights (the Plat), located in the City of Madison, Dane County, Wisconsin. "Declaration" shall mean the restrictions for the Plat recorded with the Dane County Register of Deeds on December 28, 1999, as Document No. 3181291, as those restrictions are from time to time amended. "Lot" shall mean every Lot in the Plat except for outlots and except for the Lots described in Section 2.01(b).

The common elements of the Plat to be repaired and maintained by the Association shall be the outlots in the Plat owned by the Association, which are Outlots 4, 8, 10, 17, 19 and 20; any other outlots in the Plat which the Association's board of directors from time to time determines to repair and maintain; and the Sprecher Road Landscaping Easement described in Section 4.6(g) of the Declaration.

ARTICLE II. MEMBERS

Section 2.01 Membership.

(a) Except as provided in Section 2.01(b), every owner of a Lot in the Plat shall be a member of the Association during the duration of such ownership. By acquiring a Lot in the Plat, each owner shall be conclusively deemed to have consented to membership in the Association. Membership is appurtenant to each Lot, and is limited to owners of Lots. In case of sale of a Lot by land contract, the purchaser shall be the member.

(b) The owners of Lots 11, 209 and 210 of the Plat shall not be eligible for membership, and shall not be members of the Association.

Section 2.02 Classes of Membership; Voting. The Association shall have two classes of membership, Class A and Class B:

(a) **Class A.** The Class A members shall be the owners of the Lots in the Plat, except that the owners of the Lots described in Section 2.01(b) shall not be members, and except that Reston Corp. (the Developer) shall not initially be a Class A member.

(b) **Class B.** The Class B member shall be the Developer. The Class B membership shall terminate upon the first to occur of the following events:

(i) The date the Developer no longer owns any Lot in the Plat, or

(ii) The date the Association receives written notice from the Developer that the Developer has converted its Class B membership to a Class A membership.

(c) **Voting.** Until the termination of the Class B membership, the Class B Member shall be the only voting member and shall have one vote for each Lot subject to the Declaration which is owned by the Class B Member. When and only when the Class B membership terminates, the Class A Members shall become voting members. Each Class A Member, including the Developer if the Developer has converted its Class B membership to a Class A membership, shall then have one vote for each Lot subject to the Declaration owned by the Member. The vote for any Lot which has voting rights shall be exercised as the owners of the Lots agree among themselves, but in no event shall more than one vote be cast for any one Lot. Any action required by or available to the members shall mean action by the members who then have the right to vote.

Section 2.03 Annual Meeting. The annual meeting of members shall be held the first Monday in December beginning in 2001, or at such time, and at such place, as the Board of Directors shall establish. At the annual meeting an officer shall report on the activities and financial condition of the Association, and the voting members shall consider and act upon such matters as may be raised consistent with the notice requirements of applicable law and these bylaws.

Section 2.04 Special Meetings. Special meetings may be called by the Board of Directors. Special meetings shall be held at the principal office of the Association or such other location as the Board of Directors may determine.

Section 2.05 Notice. Written notice stating the time and place of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten (10) or more than sixty (60) days prior to the date of the meeting.

Section 2.06 Quorum. Members holding one-tenth of the votes entitled to be cast, present in person or represented by proxy, shall constitute a quorum at a meeting of members. Except as otherwise provided by law, the articles of incorporation or these bylaws, a majority of the votes entitled to be cast by the members present in person or represented by proxy at the meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members.

ARTICLE III. BOARD OF DIRECTORS

Section 3.01 General Powers. The affairs of the Association shall be managed by the Board of Directors.

Section 3.02 Election of Directors. Directors shall be elected by the members at each annual members' meeting. Unless otherwise provided in the Articles of Incorporation, Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Election by "plurality" means that each shareholder may vote for as many candidates as there are positions available, and the individuals with the largest number of votes, up to the number of Directors to be chosen, are elected.

Section 3.03 Number, Tenure and Qualifications. The number of Directors of the Association shall be three (3). Each Director shall hold office continuously until death, resignation, removal or until his or her successor is elected. There shall be no qualifications for Directors until the termination of the Class B membership as provided in Section 2.02(b). Upon such termination, only owners of Lots may be Directors.

Section 3.04 Resignation and Removal. A Director may resign at any time by filing a written resignation with the President. Any Director may be removed from office, with or without cause, by a vote of the members at a meeting called for that purpose.

Section 3.05 Vacancies. Any vacancy occurring on the Board of Directors for any reason, including a vacancy created by an increase in the number of Directors, shall be filled by the members, at the next annual meeting or at a special meeting called for that purpose.

Section 3.06 Regular Meetings. The Board of Directors may provide, by resolution, the time and place, either within or outside the State of Wisconsin, for the holding of regular meetings without other notice than that resolution.

Section 3.07 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any Director.

Section 3.08 Place of Meeting. Regular and special meetings of the Board of Directors may be held at such place or places as may be fixed by the Board of Directors, or as may be fixed by the person or persons authorized to call the meeting. In the absence of any such designation of meeting place, the meeting shall be held at the principal office of the Association.

Section 3.09 Notice. Notice of any special meeting shall be given at least two (2) days prior to the meeting by written notice delivered personally or by private carrier, sent via facsimile transmission or mailed to each Director at his or her business address. If mailed, notice shall be deemed to be given three days after deposit in the United States mail so addressed with the postage prepaid. If delivered by private carrier, notice shall be deemed to be given when delivered by the private carrier to the Director. Notice sent via facsimile transmission shall be deemed to be given when transmitted to the facsimile number provided to the Association by the Director.

Section 3.10 Quorum. Except as otherwise provided by law or the articles of incorporation or these bylaws, a majority of the Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 3.11 Manner of Acting. 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 the act of a greater number is required by law, the articles of incorporation or these bylaws.

Section 3.12 Compensation. No Director shall be entitled to compensation for services to the Association as a Director.

Section 3.13 Informal Action Without Meeting. Any action required or permitted by law, the articles of incorporation or these bylaws to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all of the Directors then in office.

Section 3.14 Committees. The President shall appoint such standing and ad hoc committees and chairpersons as he or she may deem necessary. Membership on a committee shall include at least one of the Directors but shall not be restricted to Directors.

Section 3.15 Attendance by Electronic Means. The Board of Directors may permit any Director to participate in a regular or special meeting of the Board of Directors by, or to conduct the meeting through the use of, any means of communication if:

- (a) All participating Directors may simultaneously hear each other during the meeting; or
- (b) All communication during the meeting is immediately transmitted to each participating Director, and each participating Director is able to immediately send messages to all other participating Directors.

If a meeting is conducted through the use of electronic means, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted. A Director participating in a meeting by electronic means is deemed to be present in person at the meeting.

ARTICLE IV. OFFICERS

Section 4.01 Number. The principal officers of the Association shall be a President, Vice-President, Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as deemed necessary or convenient may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person. All principal officers shall be selected from the current Board of Directors.

Section 4.02 Election and Term of Office. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting. If the election of officers is not held at such meeting, the election shall be held as soon thereafter as convenient. Each officer shall hold office until a successor has been duly elected or appointed or until his or her death, resignation, or removal.

Section 4.03 Vacancies. A vacancy in any principal office because of death, resignation, removal, or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Section 4.04 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all the business and affairs of the Association, and shall perform all duties incident to the office of President and such other duties as prescribed by the Board of Directors.

Section 4.05 The Vice-President. In the absence of the President or in the event of his or her death or inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties and have such authority as assigned to him or her by the President or by the Board of Directors.

Section 4.06 The Secretary. The Secretary shall: (a) keep the minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; (c) be custodian of the records; and (d) in general, perform all duties incident to the office of Secretary and have such other duties and exercise such authority as designated or assigned to the Secretary by the President or the Board of Directors.

Section 4.07 The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association at such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and (b) in general, perform all the duties incident to the office of Treasurer and have such other duties and exercise such other authority as delegated or assigned by the President or the Board of Directors.

ARTICLE V. FINANCES

Section 5.01 Assessments.

(a) The Association shall have the power to assess each Lot, other than a Lot owned by Developer, for an equal share of the reasonable and necessary expenses of the operation of the Association and the fulfillment of its purposes. Each owner of a Lot, other than Developer, by acceptance of a deed or other conveyance for the owner's Lot shall be obligated to pay its equal share of assessments made by the Association, whether or not that obligation is expressly stated in the deed or other conveyance. Such expenses shall include utilities, insurance, tools and equipment, salaries and wages, real estate taxes and special assessments and a reasonable amount of working capital.

(b) At the closing of each conveyance of a Lot from the Developer to a buyer, the buyer shall pay the Association a prorated portion of the annual assessment. Until further action by the Board of Directors, the annual assessment shall be \$100. For example, if a buyer purchases a Lot on April 1, the buyer shall pay the Association three-fourths of the then annual assessment.

(c) The owner of each Lot other than Developer shall subsequently pay the then current annual assessment to the Association on or before January 31 of the calendar year for which the payment is due. The Board shall exercise reasonable efforts to send reminders of the annual payment, but the assessment is due and owing each January 31, even if no reminder is sent. The Board, however, shall give notice of adjustments to the annual assessment, as required by Section 5.01(f).

(d) The Board of Directors shall have the right at any time to adjust the annual assessment. In the calendar year in which the Board determines to make an adjustment, the Board shall determine a budget for that year. The Board shall also determine a budget for each subsequent year.

(e) In addition to the annual assessment, the Board of Directors may at any time levy a special assessment to be equally paid by each Lot, except for Lots owned by Developer.

(f) The Board of Directors shall give each owner of a Lot subject to assessment written notice of any adjusted annual assessment or any special assessment. Each assessment shall be due thirty (30) days following the date of the notice. The Board of Directors shall notify each owner of the action taken by the Board of Directors, the amount of the assessment against the Lot owned by the owner and the date the assessment is due and payable. Such notice shall be mailed to the owner at the last known post office address by United States mail, with postage prepaid, or be personally delivered to the owner, or be sent by facsimile, electronic mail or other electronic means.

(g) Upon a voluntary conveyance, the grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments as provided in this Article V up to the time of conveyance, without prejudice to the grantee's right to recover from the grantor any amount paid by the grantee. However, any such grantee shall be entitled to a written statement from the Association setting forth the amount of the unpaid assessments. Any such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessment against the grantor pursuant to this Article in excess of the amount set forth in the statement. If the Association does not provide a statement within thirty (30) business days after the grantee's written request, the Association is barred from claiming any lien which is not filed prior to the request.

5.02 Collection. The Board of Directors shall pursue collection or enforcement of all assessments to the extent reasonable. The owner of a Lot shall be personally obligated to pay assessments which were assessed or accrued upon the Lot owned during the period of ownership. All assessments which are unpaid when due shall from such date become and remain a lien upon the Lot until paid, with interest thereon from the due date at eighteen percent (18%) per year until paid in full. The Association may commence an action against any owner personally obligated to pay the assessments or to foreclose the lien for such assessments against any Lot, or both. Any foreclosure action may be brought, at the Board of Director's election, either in the same manner as an action to foreclose a real estate mortgage, or as a proceeding to enforce a statutory maintenance lien as provided in Section 779.70, Wisconsin Statutes, to the extent the section is applicable. If an attorney is retained to collect any delinquent assessment, reasonable attorneys' fees, title charges and court costs and other costs incurred by the Association in the collection shall be added to and become a part of the assessment.

ARTICLE VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 6.01 Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authorization may be general or confined to specific instances.

Section 6.02 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 6.03 Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

Section 6.04 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as may be selected by or under the authority of the Board of Directors.

ARTICLE VII. LIABILITY AND INDEMNIFICATION

Section 7.01 Liability. The liability of the members, Directors and Officers of the Association shall be limited as from time to time provided in the Wisconsin Statutes, provided the limits shall never be less than those provided in Chapter 181 of the Wisconsin Statutes as in effect on the date of adoption of these bylaws.

Section 7.02 Indemnification. The Association shall indemnify its Officers and Directors as from time to time required by the Wisconsin Statutes, except that the indemnification shall never be less than that provided in Chapter 181 of the Wisconsin Statutes as in effect on the date of adoption of these Bylaws.

Section 7.03 Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the Association and the Director or Officer pursuant to which the Association and the Director or Officer intend to be legally bound. Any repeal, amendment or modification of this Article shall be prospective only as to conduct of a Director or Officer occurring after such action, and shall not affect any rights or obligations then existing.

Section 7.04 Scope of Article. The rights granted by this Article shall not be deemed exclusive of any other rights to which a Director, Officer, employee or agent may be entitled under any statute, agreement, vote of disinterested Directors or otherwise. The indemnification provided by this Article shall continue as to a person who has ceased to be a Director or Officer in respect to matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 7.05 Insurance. The Association may purchase and maintain insurance, at its expense, to protect itself and any person who is a Director, Officer, employee or agent of the Association against any liability asserted against that person or incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Association would have the power to indemnify the person against such expense, liability or loss under this Article.

ARTICLE VIII. FISCAL YEAR

Section 8.01 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December in each year.

ARTICLE IX. SEAL

Section 9.01 No Seal. The Association shall not have a corporate seal, and all formal corporate documents may carry the designation "No Seal" along with the signature of the Officers.

ARTICLE X. AMENDMENT

Section 10.01 Amendment. These bylaws may be amended by either the members or the Board of Directors, to the extent each is from time to time authorized to do so by the Wisconsin Statutes.

These are the bylaws adopted by consent resolutions of the Board of Directors dated September 6, 2001.

Dated: September _____, 2001.

Ronald E. Smith, Secretary