

BYLAWS
OF
HERITAGE GREENS PAIRED HOMES
HOMEOWNERS' ASSOCIATION, INC.

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HOMEOWNERS' ASSOCIATION, INC.**

BYLAWS

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BYLAWS

**SECTION 1
GENERAL**

This document constitutes the Bylaws of Heritage Greens Paired Homes Homeowners' Association, Inc., a Wisconsin nonprofit corporation (the "Association"). The Association is organized pursuant to Wisconsin Statutes Chapter 181, the Wisconsin Nonstock Corporations Act (the "Act"), for the purpose of operating and managing Heritage Greens Paired Homes, a single-family residential neighborhood that is part of Heritage Greens of Hudson, a master planned community in Hudson, Wisconsin.

1.1 Master Association/Powers. The Association is a member of Heritage Greens of Hudson Community Association (the "Master Association") and the Property is subject to the Master Declaration of Heritage Greens of Hudson (the "Master Declaration"). Certain powers of the Association are delegated to the Master Association as provided in Section 6.5 of these Bylaws and Section 5.2 of the Heritage Greens Paired Homes Declaration (the "Declaration").

1.2 Terms and Definitions. The terms used in these Bylaws shall have the meanings assigned to them in the Declaration or in the Master Declaration, if not otherwise defined.

**SECTION 2
MEMBERSHIP**

2.1 Owners Defined. All Persons described as Members in Section 4 of the Declaration shall be members of the Association. No Person shall be a Member solely by reason of holding a security interest in a Unit. A Person shall cease to be a Member at such time as that Person is no longer an Owner.

2.2 Registration of Owners and Occupants. Each Owner shall register with the Secretary of the Association, in writing, within thirty days after taking title to a Unit, (i) the name and address of each Owner of the Unit; (ii) the nature of such Owner's interest or estate in each Unit owned; and (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address. Each Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information, and shall be obligated to provide the names of the Occupants of the Unit upon request of the Association.

2.3 Transfers. The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Unit or as otherwise specifically authorized by the Governing Documents, the Master Governing Documents or by law.

SECTION 3 VOTING

3.1 Entitlement. Votes shall be allocated to each Unit as provided in the Declaration. However, no vote shall be exercised as to a Unit while the Unit is owned by the Association.

3.2 Authority to Cast Vote. At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Unit owned by the Owner. If there is more than one Owner of a Unit, only one of the Owners may cast the vote. If the Owners of a Unit fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to the Owner's Unit and be counted as present at any meeting of the Owners by executing a written proxy naming another person entitled to act on that Owner's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall be effective until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is given; (ii) the adjournment of the meeting for which the proxy is given; (iii) the time at which the granting Owner is no longer an Owner; or (iv) any other applicable event specified in Wisconsin Statutes Section 181.0724.

3.4 Voting by Mail Ballot. Any action taken at a meeting of the Association, except the election or removal of directors, may be taken by mailed ballots, subject to the following requirements.

3.4.1 The notice of the vote shall: (i) clearly state the proposed action; (ii) indicate the number of responses needed to meet the quorum requirements; (iii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iv) specify the time by which a ballot must be received by the Association in order to be counted.

3.4.2 The ballot shall: (i) set forth each proposed action, and (ii) provide an opportunity to vote for or against each proposed action.

3.4.3 The Board shall set the time for the return of ballots, which shall not be less than fifteen nor more than thirty days after the date of mailing of the ballots to the Owners. The Board shall provide notice of the results of the vote to the Owners within ten days after the expiration of the voting period.

3.4.4 Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approval votes equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by mail in accordance with Section 3.4, shall decide all matters properly brought before the Owners, except where a different vote or voting procedure is required by the Governing Documents or the Act. The term "majority" as used herein shall mean in excess of fifty percent of the votes cast at a meeting, in person or by proxy, or voting by mail, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4 MEETINGS OF OWNERS

4.1 Place. All meetings of the Owners shall be held at the office of the Association or at such other place in the state of Wisconsin reasonably accessible to the Owners as may be designated by the Board in any notice of a meeting of the Owners.

4.2 Annual Meetings. An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board shall be elected pursuant to Section 6; (ii) a report shall be made to the Owners on the activities and financial condition of the Association; and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for decision by the Owners, shall be considered and acted upon at the meeting.

4.3 Special Meetings. A special meeting of the Owners may be called by the President as a matter of discretion. A special meeting of the Owners must be called by the President or Secretary within thirty days following receipt of the written request of a majority of the members of the Board or of Owners entitled to cast at least twenty-five percent of all votes in the Association. The meeting shall be held within ninety days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.

4.4 Notice of Meetings. Not less than twenty-one nor more than thirty days in advance of any annual meeting of the Owners, and at least seven, but no more than thirty, days in advance of any special meeting of the Owners, the Secretary shall send, to all Persons who are Owners as of the date of sending the notice, notice of the time, place and agenda of the meeting, by United States mail, or by hand delivery, at the Owner's Unit address or to such other address as the Owner may have designated in writing to the Secretary. Notice of meetings to vote upon amendments to the Articles of Incorporation shall also be given separately to each officer and director of the Association.

4.5 Quorum/Adjournment. The presence of Owners, in person or by proxy, who have the authority to cast in excess of twenty-five percent of all the votes in the Association shall be necessary to constitute a quorum at all meetings of the Owners for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. Any meeting

may be adjourned from time to time, but until no longer than fifteen days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Owner who was present when the quorum was established. The Association may not be counted in determining a quorum as to any Unit owned by the Association.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Unit numbers, the names of the Owners, the vote attributable to each Unit and the name of the person (in the case of multiple Owners) authorized to cast the vote.

4.7 Agenda. The agenda for meetings of the Owners shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Owners along with the notice of the meeting.

SECTION 5 ANNUAL REPORT

The Board shall prepare an annual report, a copy of which shall be provided to each Owner at or prior to the annual meeting. The report shall contain, at a minimum:

5.1 Capital Expenditures. A statement of any capital expenditures in excess of two percent of the Association's current budget or five thousand dollars, whichever is greater, approved by the Association for the current year or succeeding two fiscal years.

5.2 Reserve Funds. A statement of the balance in any reserve or replacement fund.

5.3 Financial Statements. A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year.

5.4 Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party.

5.5 Insurance. A detailed description of the insurance coverage provided by the Association.

5.6 Status of Assessments. A statement of the total past due Assessments on all Units, current as of not more than sixty days prior to the date of the meeting.

SECTION 6 BOARD OF DIRECTORS

6.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The first Board shall consist of the persons designated as directors by the incorporator of the Association or appointed by Declarant to replace them, subject to the rights of Owners to elect directors as set forth in Section 6.2. Upon the expiration of the terms of the members of the first Board, the Board shall be composed of five directors, a majority of whom shall be Owners, or a duly authorized representative of the Owner if the Owner is a Person other than a natural person.

6.2 Term of Office. The terms of office of the members of the Board shall be as follows:

6.2.1 The terms of all directors appointed by Declarant as authorized by the Declaration shall terminate upon the earliest of (i) voluntary surrender of control by Declarant; (ii) an Association meeting which shall be held within sixty days after conveyance to Owners other than the Declarant of seventy-five percent of the total number of Units authorized to be included in the Association; or (iii) the date five years following the date of the first conveyance of a Unit to an Owner other than the Declarant. Notwithstanding the foregoing, the Owners other than Declarant shall have the right to nominate and elect not less than thirty-three and one-third percent of the directors at a meeting of the Owners which shall be held within sixty days following the conveyance by Declarant of fifty percent of the total number of Units authorized to be included in the Property.

6.2.2 The first terms of office of the directors elected by the Owners upon the termination of the Declarant Control Period shall be one year for two of the directors, two years for two of the directors and three years for one of the directors. Each term of office thereafter shall be three years and shall expire upon the election of a successor at the appropriate annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. The nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There shall be no cumulative voting for directors.

6.3 Nominations. Except for directors appointed by the Declarant, nominations for election to the Board at the annual meetings shall be made by the Board, by a nominating committee appointed by the Board or by an Owner. Any nominating committee shall consist of Owners who are representative of the general membership of the Association, and shall establish fair and reasonable procedures for the submission of nominations.

6.4 Powers. The Association shall have all powers and authority of a corporation under Wisconsin Statutes Chapter 181 or provided in the Declaration except those powers and the authority delegated to the Master Association in Section 6.5 of these Bylaws or in Section 5.2 of the Declaration. The powers of the Association include, without limitation, all powers necessary for the administration of the affairs of the Association, including all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Owners) by law or by the Governing Documents. The powers of the Association are vested in the Board, unless expressly reserved to the Owners by the Governing Documents or by law. The Association's powers include, without limitation, the power to:

6.4.1 adopt, amend and revoke reasonable Neighborhood Rules consistent with the Governing Documents and the Master Governing Documents, as follows: (i) regulate the use of the Common Areas; (ii) regulate the use of the Units, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners and Occupants, which involves noise or other disturbing activity, or which may damage the Common Areas or other Units; (iii) regulate animals; (iv) regulate changes in the appearance of the Common Areas and conduct which may damage the Property; (v) regulate the exterior appearance of the Property, including, for example, signs and other displays, regardless of whether inside a Dwelling; (vi) implement the Governing Documents, and exercise the powers granted by this Section; and (vii) otherwise facilitate the operation of the Property.

6.4.2 adopt and amend budgets for revenues, expenditures and reserves, levy and collect Assessments, and foreclose Assessment liens incidental to its collection efforts.

6.4.3 hire and discharge managing agents and other employees, agents, and independent contractors.

6.4.4 institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more Owners on matters affecting the Common Areas or other matters affecting the Property or the Association, or (ii) with the consent of the Owners of the affected Units on matters affecting only those Units.

6.4.5 make contracts and incur liabilities.

6.4.6 regulate the use, maintenance, repair, replacement and modification of the Common Areas and the Units.

6.4.7 cause improvements to be made as a part of the Common Areas.

6.4.8 acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property.

6.4.9 grant easements as follows: (i) public utility and cable communications easements through, over or under the Common Areas may be granted by the Board, subject to any restrictions contained in the Master Governing Documents; and (ii) other

public or private easements, leases and licenses through, over or under the Common Areas may be granted only by approval of the Board, and by the Owners (other than Declarant) voting at an Association meeting, unless such easement is expressly authorized by the Declaration or another previously recorded instrument, subject to any restrictions contained in the Master Governing Documents.

6.4.10 impose and receive any payments, fees, or charges for services provided to Owners.

6.4.11 impose charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Neighborhood Rules.

6.4.12 borrow money, and encumber or pledge the assets of the Association as security therefor; provided that any borrowings in any twelve month period which exceed, in aggregate, ten percent of the Association's current annual budget, shall require approval by the Owners voting at an Association meeting.

6.4.13 impose reasonable charges for the review, preparation and recording of amendments to the Declaration or Bylaws, statements of unpaid Assessments, documents for subsequent buyers of Units or furnishing copies of Association records.

6.4.14 provide for the indemnification of its officers, directors and committee members, and maintain directors' and officers' liability insurance.

6.4.15 provide for reasonable procedures governing the conduct of meetings and the election of directors.

6.4.16 appoint, regulate and dissolve committees.

6.4.17 elect certain members of the Master Board, as described in Section 6.5 of these Bylaws and perform any other function or obligation and exercise any power relinquished by the Master Association to the Association in accordance with the Master Governing Documents.

6.4.18 exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.5 Election to Master Board/Delegation to the Master Board. The Board shall elect, from among its members, a number of Master Board directors specified by the Master Bylaws, all in accordance with the procedures and requirements set forth in the Master Governing Documents. The following powers and authority shall be exercised by the Master Association and to the extent such powers and authority are of the Association, they are delegated to the Master Association:

6.5.1 To own, manage, operate, maintain and control the Master Common Elements.

6.5.2 To regulate, impose charges for, establish rules and enforce rules for the use of the Master Common Elements.

6.5.3 To establish and enforce architectural guidelines to preserve and enhance the architectural and environmental character of the Property.

6.5.4 To regulate, approve, disapprove or approve with conditions any construction, installation or alteration of Improvements within the Property visible from the exterior of a building or Dwelling.

6.5.5 To establish from time to time and enforce reasonable rules and restrictions to facilitate the various residential uses of the Property, to avoid unwanted nuisances and disturbances, and to protect the physical environment and architectural characteristics of the Property and immediately adjacent landscaped areas.

6.5.6 To adopt budgets for revenues, expenditures and reserves and levy and collect assessments for Master Common Expenses from the Association and/or Unit Owners.

6.5.7 Employ and dismiss employees and agents for the Master Association.

6.5.8 Sue on behalf of all Unit Owners or the Association.

6.5.9 Make contracts and incur liabilities for the Master Association.

6.5.10 Cause additional Improvements to be made as a part of the Master Common Elements.

6.5.11 Acquire, hold, encumber and convey any right, title or interest in or to the Master Common Elements.

6.5.12 Grant easements though or over the Master Common Elements.

The powers in subsections 6.5.5 and 6.5.8 shall not be exclusive to the Master Association but may be exercised by both the Master Association and the Association, whether independently or jointly.

The directors elected to the Master Board by the Board shall act as liaisons between the Master Association and the Association, and shall cooperate to insure that decisions of the Master Board are properly communicated to the Owners and Occupants, and implemented.

6.6 Meetings and Notices. An annual meeting of the Board shall be held promptly following each annual meeting of the Owners. At each annual meeting of the Board (i) the officers of the Association shall be elected, and (ii) the Association's member(s) of the Master Board shall be elected, subject to staggered election terms as prescribed by the Master Bylaws.

6.6.1 Regular meetings of the Board shall be held at such times as may be fixed from time to time by a majority of the members of the Board, or, in the absence of such action, by the President. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and made available for the information of Owners, as provided in Section 6.6.5.

6.6.2 Special meetings of the Board shall be held when called (i) by the President, or (ii) by the Secretary within ten days following the written request of a majority of the directors. Notice of any special meeting shall be given to each director not less than three days in advance thereof, subject to Section 6.6.3. Notice to a director shall be deemed to be given (i) when deposited in the United States mail postage prepaid to the Unit address of such director, or such other address designated by the director in writing to the Secretary of the Association, (ii) when sent by facsimile to a number designated in writing by the director, or (iii) when personally delivered, orally or in writing, by a representative of the Board to the director.

6.6.3 Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

6.6.4 A conference among directors by a means of communication through which all directors may simultaneously hear each other during the conference is a board meeting, if (i) the same notice is given of the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting.

6.6.5 Except as otherwise provided in this Section, meetings of the Board must be open to the Owners. To the extent practicable, the Board shall give reasonable notice to the Owners of the date, time, and place of a Board meeting. If the date, time and place of meetings are provided for in the Declaration, Articles, Bylaws, announced at a previous meeting of the Board, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in Section 11.1 of these Bylaws. Notwithstanding the foregoing, meetings may be closed at the discretion of the Board to discuss the following:

6.6.5.1 personnel matters;

6.6.5.2 pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners, between the Board or Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant; or

6.6.5.3 criminal activity arising within the Property or involving an Owner or Occupant if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section shall not invalidate the Board meeting or any action taken at the meeting.

6.6.6 All Board meetings shall be open to any member of the Master Board designated to attend the meeting as the Master Board's representative.

6.7 Quorum and Voting. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any directors. Each director shall have one vote. The vote of a majority of the directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies are prohibited for Board meetings.

6.8 Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors.

6.9 Vacancies. A vacancy in the Board, other than those described in Sections 6.1, 6.2 and 6.10, shall be filled by a person elected within thirty days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. Each person so elected shall serve out the term vacated.

6.10 Removal. A director may be removed from the Board, with or without cause, by a majority vote at any annual or special meeting of the Owners; provided, (i) that the notice of the meeting at which removal is to be considered states such purpose; (ii) that the director to be removed has a right to be heard at the meeting; and (iii) that a new director is elected at the meeting by the Owners to fill the vacant position caused by the removal. A director may also be removed by the Board if such director (i) has more than two unexcused absences from Board meetings and/or Owners meetings during any twelve month period, or (ii) is more than thirty days past due with respect to the payment of assessments or installments thereof on the director's Unit. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.

6.11 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, the directors shall receive no compensation for their services in such capacity. A director or an entity in which the director has an interest may, upon approval by the Board, be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as a director; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested director, and (ii) that the director's interest is disclosed to the Board prior to approval. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

6.12 Fidelity Bond. Fidelity bonds or insurance coverage for unlawful taking of Association funds shall be obtained and maintained as provided in the Declaration on all directors and officers authorized to handle the Association's funds and other monetary assets.

SECTION 7 OFFICERS

7.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board.

7.2 Election. The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.

7.3 Removal. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and a successor elected, at any regular meeting of the Board, or at any special meeting of the Board called for that purpose.

7.4 President. The President is the chief executive officer of the Association, and presides at all meetings of the Board and the Association. The President has all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall perform other duties as are prescribed by the Board.

7.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall perform such other duties as are prescribed by the Board.

7.6 Secretary. The Secretary is responsible for recording the minutes of all meetings of the Board and the Association. The Secretary is responsible for keeping the books and records of the Association, and giving all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Board may delegate the Secretary's administrative functions to a managing agent; provided, that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7.7 Treasurer. The Treasurer is responsible for all financial assets of the Association, and shall be covered by a bond or insurance in such sum and with such companies as the Board may require. The Treasurer shall (i) be responsible for keeping the Association's financial books, Assessment rolls and accounts; (ii) cause an annual financial report to be prepared, subject to review by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) cause all moneys and other monetary assets of the

Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent; provided, that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

7.8 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, officers shall receive no compensation for their services in such capacity. An officer or an entity in which the officer has an interest may be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as an officer; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested party, and (ii) that the officer's interest is disclosed to the Board prior to approval. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

SECTION 8 OPERATIONS

8.1 General. All powers of the Association are vested in the Board, unless expressly reserved to the Owners.

8.2 Assessment Procedures. The Board shall determine when the first Assessment is levied and due. Thereafter, the Association shall annually prepare a budget of Common Expenses attributable to the Association, including the Association's share of annual Master Assessments levied by the Master Association, and shall levy the annual Assessment against the Units as provided in the Governing Documents.

8.2.1 The annual Assessment shall be levied against all Units effective as of the first day of the Association's fiscal year when the first Assessment installment is due, as determined by the Board, and notice shall be given to the Owners at least thirty days prior to the due date. The failure to timely levy or give notice of an annual Assessment shall not relieve the Owners of their obligation to continue paying Assessment installments in the amount currently levied, as well as any increases subsequently levied.

8.2.2 The Board may amend the budget and Assessments, or levy a special Assessment, at any time, and shall do so promptly if the Master Association amends its budget or levies a Master Special Assessment. The levy shall be deemed to occur upon the date specified in the resolution which fixes the Assessment.

8.2.3 The Board may levy limited Assessments against only certain Units under Section 6 of the Declaration. Such Assessments may be included in the Assessments levied annually against the affected Units or may be levied separately at any time during the year. Such Assessments are not annual or special Assessments within the meaning of the Governing Documents.

8.2.4 The budget may include a general operating reserve, and shall include an adequate reserve fund for maintenance, repair and replacement of the Common Areas and

any parts of the Units that must be maintained, repaired or replaced by the Association on a periodic basis.

8.2.5 The Association shall furnish copies of each budget on which the Assessment is based to an Owner, upon request of such Owner.

8.3 Payment of Assessments. Unless otherwise designated by the Board or the Governing Documents, annual Assessments shall be due and payable in monthly installments in advance on the first day of each month of the year or other period for which the Assessments are made, and special Assessments shall be due when designated by the Board. Except as provided in the Declaration, all Owners shall be absolutely and unconditionally obligated to pay the Assessments and no Owner or Occupant shall have any right of withholding, offset or deduction against the Association or the Master Association with respect to any Assessments, or late charges or costs of collection, regardless of any claims alleged against the Association or the Master Association or their officers or directors. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.4 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established, the Board may assess, and such Owner shall be obligated to pay, a late charge as provided in the Declaration for each such unpaid Assessment or installment thereof, together with all expenses, including reasonable attorneys' fees and other professional fees, incurred by the Board in collecting any such unpaid Assessment.

8.4.1 If there is a default of more than thirty days in payment of any Assessment, the Board may accelerate any remaining installments of the Assessment upon prior written notice thereof to the Owner, and the entire unpaid balance of the Assessment and late charges shall become due and payable upon the date stated in the notice unless all past due amounts, including late charges, fines, reasonable attorneys' fees and costs incurred by the Board, are paid prior to said date.

8.4.2 The Board shall have the right and duty to attempt to recover all Assessments on behalf of the Association and the Master Association, together with any charges, attorneys' fees and other professional fees and costs or expenses relating to the collection thereof. In addition, the Board shall have the right to recover any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant.

8.4.3 The rights and remedies referred to herein shall in no way limit the remedies available to the Association or Master Association under the Declaration, the Master Governing Documents or by law.

8.5 Foreclosure of Liens for Unpaid Assessments. The Association has the right to foreclose a lien against a Unit for Assessments imposed by the Association, as more fully described in the Declaration.

8.6 Records. The Board shall cause to be kept at the registered office of the Association, and at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Owners, names of the Owners, and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged or confidential information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by the Owners upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Unit setting forth the amount of the Assessments against the Unit, the date when due, the amount paid thereon and the balance remaining unpaid.

8.7 Enforcement of Obligations. All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Master Governing Documents, the Governing Documents, the Rules, and the Master Rules. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9 AMENDMENTS

These Bylaws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:

9.1 Approval. The amendment must be approved by:

9.1.1 The Board;

9.1.2 Owners who have authority to cast in excess of fifty percent of the total votes in the Association, in writing or at a duly held meeting of the Owners;

9.1.3 The Master Developer as provided in the Master Declaration; and

9.1.4 Declarant, as provided in the Declaration.

9.2 Notice. A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by U.S. mail, or hand delivered, to all Owners authorized to cast votes and the Master Board; and

9.3 Effective Date. An amendment is effective on the date of approval by the required vote of the Owners, and need not be recorded. If recorded, the amendment shall be recorded in the office of the recording officer for the county in which the Property is located.

SECTION 10 INDEMNIFICATION

The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association, pursuant to the provisions of the Articles of Incorporation of the Association and Wisconsin Statutes Sections 181.0871 through 181.0889.

SECTION 11 MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Declaration or these Bylaws, all notices required to be given by or to the Association, the Board, the Master Association, the Master Board, the officers of the Association or Master Association, or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.

11.2 Severability. The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

11.3 Captions. The captions in these Bylaws are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict between the provisions of the Master Governing Documents and the Governing Documents or Rules, the Master Governing Documents shall control. As among the Declaration, these Bylaws and the Rules, the Declaration shall control. The Bylaws shall control as against the Rules. Any conflict between the Master Rules and the Rules shall be resolved in favor of the more restrictive rule.

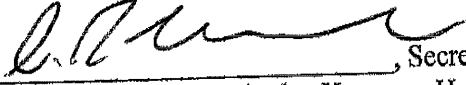
11.5 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

11.6 No Corporate Seal. The Association shall have no corporate seal.

11.7 Fiscal Year. The fiscal year of the Association shall be as determined by the Board.

Heritage Greens Paired Homes Homeowners' Association, Inc., a Wisconsin nonprofit corporation, effective as of the date hereof.

Dated: Nov. 30, 2006


_____, Secretary
Heritage Greens Paired Homes Homeowners'
Association, Inc.