THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC.

DISCLOSURE MATERIALS

THE TERRACES OF MORNINGSIDE HILLS
CITY OF WAUKESHA
COUNTY OF WAUKESHA, WISCONSIN

SELLER:_____

CONDOMINIUM ASSOCIATION:
The Terraces of Morningside Hills
Condominium, Inc.
Attention: Property Manager
319 Cheviot Chase
Waukesha, WI 53186

1.THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISIONS CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.

2.THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW MAY, WITH THE EXCEPTION OF THE EXECUTIVE SUMMARY, BE RELIED UPON AS CORRECT AND BINDING. FOR A COMPLETE UNDERSTANDING OF THE EXECUTIVE SUMMARY, CONSULT THE DISCLOSURE DOCUMENTS TO WHICH A PARTICULAR EXECUTIVE SUMMARY STATEMENT PERTAINS. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.

3.YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATEIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE. IF THE SELLER DELIVERS LESS THAN ALL OF THE DOCUMENTS REQUIRED, YOU MAY, WITHIN 5 BUSINESS DAYS FOLLOWING RECEIPT OF THE DOCUMENTS, DELIVER A REQUEST FOR ANY MISSING DOCUMENTS. IF YOU TIMELY DELIVER A REQUEST FOR MISSING DOCUMENTS, YOU MAY, AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING THE EARLIER OF EITHER THE RECEIPT OF THE REQUESTED DOCUMENTS OR THE SELLER'S DEADLINE TO DELIVER THE REQUESTED DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSIT MADE.

DECLARATION OF CONDOMINIUM

OF

THE TERRACES OF MORNINGSIDE HILLS

DONALD R. POLZIN, GEORGE MACHKOVICH, and JEROME W. ARONSON, Declarants, being all of the owners of the property hereinafter described, for the purpose of submitting the land and improvements described below to condominium ownership, hereby submit the same to the provisions of the Unit Ownership Act created by Chapter 703 of the Wisconsin Statutes, and declare said property and all improvements now or subsequently placed thereon and appurtenances thereto, subject to said Unit Ownership Act and shall hereafter be known as THE TERRACES OF MORNINGSIDE HILLS.

1. DESCRIPTION OF LAND. The land which is the subject of this Declaration, and upon which the buildings and improvements are to be located in the City of Waukesha, Waukesha County, Wisconsin, and a plat survey of the land containing and showing the location of the buildings and structures thereon is attached hereto and marked as Exhibit "A" and legally described as:

> Lot 1, Block 3, Morningside Hills, being a recorded plat, being part of the SW 1/4 of the NW 1/4 of Section 12, T6N, R19E, City of Waukesha, Waukesha Co., Wisconsin

2. DESCRIPTION OF BUILDINGS. On the land submitted to condominium ownership there are constructed one hundred and twenty-six

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WAUKESHA COUNTY, WIS. } SS
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(126) separately designated free hold estates consisting of the space or area and portions of buildings within the boundaries of each of the one hundred and twenty-six (126) units located in twenty-one (21) multi-family buildings with six (6) units in each building, each building consisting of two (2) stories, six (6) garages and basement, and including six (6) basement storage spaces and are constructed of frame and brick veneer. Exhibit "A" shows the location of each building unit and the name and address of each unit. A set of floor plans for each building unit designated as Exhibits "B" 1,2,3, and 4, attached hereto, show the layout, location, dimensions and bearing the verified statement of the architect or professional engineer certifying that it is an accurate copy of the portions of the plans of each building.

The actual boundaries of any building or unit constructed is in substantial accordance with survey map and floor plan of this Declaration and shall be conclusively presumed to be the actual boundaries of the building or the unit rather than the description expressed herein or in any other document, regardless of the setting or lateral movement of the buildings and regardless of the minimum variation between boundaries shown on the plan or floor plan.

3. DESCRIPTION OF UNITS. The one hundred and twenty-six

(126) separate units are hereby established for separate conveyance, consist of twenty-one (21) buildings with six (6) units in each building bearing addresses in the City of Waukesha, County of Waukesha, Wisconsin, as listed on Exhibit "A".

Each building is of wood frame construction with a combination brick and siding exterior finish with wood trim. Each building has two (2) dwelling units on the first floor, four (4) dwelling units on the second floor, six (6) garages on the first floor with entrys directly to individual units and one (1) basement storage locker for each unit. The basement storage locker is limited common area as herein described. Each unit is electrically heated, air-conditioned, contains a refrigerator, range, dishwasher, garbage disposal, electrical fixtures, clothes washer and dryer, separate electric water heater in the basement, is carpeted in the living room, dining room, bedrooms, and has linoleum in the kitchen and bathrooms. Each unit shall include one (1) indoor garage and one (1) outdoor parking area, as designated on Exhibit "B"; said outdoor parking area shall be limited common area as hereinafter described.

4. DESCRIPTION OF COMMON AREAS AND FACILITIES. The common areas and facilities shall consist of the land, the footings, the

foundations, roofs, main walls and all other supports of the building, the recreation and landscaped areas including the swimming pool and appurtenances thereto and tennis court, driveways, pavements, walks, pipes, wires, drains, supply lines, conduits and utility lines installed for common use, wood ladders in closets of second floor units, the stairs leading to the basement, the building designated as 319 Cheviot Chase to be used as general office, manager's office, rental office, pool equipment storage and facilities, and such other uses as may be prescribed in the By-Laws, and including such other items or areas on the property not within a unit and not contrary hereto, as are designated as "common areas" in Section 703.02 (6) of the Wisconsin Statutes, except for those areas designated as "limited common areas" in this Declaration. There shall be included easements through units for access to and for facilities of the common area. The use of the common areas shall be as prescribed herein and by the By-Laws.

5. DESCRIPTION OF LIMITED COMMON AREA AND FACILITIES. The limited common areas and facilities are reserved for the use of certain units or buildings to the exclusion of the other units or buildings and are as follows:

The patio and balcony to which the unit has access by a door from the unit and same is assigned to that respective unit. The outside parking area designated in Exhibit "B" for that particular unit, and the driveway immediately in front of each garage between the garage door and the common driveway. The use is limited to the persons owning the said unit.

For the first-floor units, an area of ground and air rights and for second-floor units, air rights, ten (10) feet beyond the exterior walls of the unit, which shall be used exclusively for the enjoyment of the occupants of that unit, except for walkways. All patios, balconies and parking areas assigned to a particular unit shall be excluded from the ten (10) foot strip. The Association shall have an easement in the ten (10) foot strip for building and ground maintenance and repair.

Each unit shall have a locker assigned to it in the basement limited to the use of that unit as designated in Exhibit "B". The remaining amount of the basement shall be limited common area assigned to the unit owners of that building.

All of the limited common areas are subject to rules of use as established by the By-Laws.

6. UNIT VALUE OR COMMON AREA OWNERSHIP AND VOTING.

The vote to be given to each unit owner on matters for determination by unit owners shall be one (1). The fraction of common interest in the common areas and facilities to each unit shall be one/one hundred and twenty-sixty (1/126) for each dwelling unit.

The definition of unit owner and procedure for voting shall be designated by the By-Laws.

7. PURPOSE AND RESTRICTIONS OF USE OF UNITS AND TRANSFER.

Each unit and every owner and occupant of a unit shall be subject to the following restrictions, covenants and conditions:

A. Buildings: All buildings are intended and restricted for residential use only.

B. Units: Each unit shall be occupied and used only for private dwelling purposes. Occupancy shall be limited to persons over the age of sixteen (16) years (except as may otherwise be approved by the Board of Directors of the Association) and there shall be not more than four (4) persons from the same family unit regardless of their degree of consanquinity or affinity in a 2-bedroom unit; there shall not be more than two (2) unrelated persons in a 2-bedroom unit; and in a 1-bedroom unit there shall not be more than two persons. No trade or business shall be carried on anywhere within the condominium. After completion of a unit, Declarant may lease a unit,

but after fee title to a unit has been conveyed by the Declarant to an owner, it may not thereafter be leased except as provided in Paragraph 10G and as further provided in the By-Laws of the Association. Any occupant of a unit with the authority of the owner shall comply with all of the duties imposed hereunder, on the owner, or be subject to eviction. No units may be sub-divided or rooms in any unit rented or transient tenants accommodated.

C. Common Areas: No owner shall cause or permit the general common areas to be so used as to deny the other owners the full use of such areas. All driveways, and parking areas shall be kept clean and orderly and free of commercial or recreational vehicles except during deliveries and any other personal items exclusive of personal vehicles. There shall be no outside storage. No owner shall within his unit or anywhere on the condominium property, store, collect, permit, or use any materials or products which will increase the rate of insurance or result in cancellation of insurance. No activity shall be undertaken or permitted which may be an annoyance to other owners, including the use of musical instruments, televisions or radios at such times, or in such volumes of sound, as to be objectionable to other owners. No grilling shall take place except as specified by the By-Laws. The unreasonable or unsightly

accumulation of waste, litter, excess or unused building materials or trash is prohibited and trash and garbage containers shall be situated only in designated locations. None of the above materials shall be consumed by fire in incinerators, open fires, fireplaces or elsewhere. No structure, trailer, tent or shack, temporary or otherwise, shall be placed or maintained on any of the common areas or limited common areas nor shall clothing be hung or any clothes hangers or clotheslines be placed or maintained outside or on common areas or limited common areas. The recreational area shall be used only for purposes authorized and approved by the Association and as provided in the By-Laws.

If any portion of the common areas and facilities encroaches upon a unit, a valid easement for the encroachment and for the maintenance of the encroachment so long as it stands, shall exist.

D. Pets: No animals shall be permitted in the buildings, units, common areas or limited common areas.

E. Transfer of Units: An owner of a unit, other than the Declarant or the Declarant's successors or assigns, (a purchaser of a unit from the Declarant shall not be deemed a successor or assign) desiring to convey title to such unit, shall, when he has received a bona fide offer therefore, notify the Board of Directors of the Association in writing

of his intention and desire to convey pursuant to the bona fide offer he has received, and such notice shall supply the name of the proposed purchaser, the terms and conditions of the proposed transaction and the proposed date of conveyance and his commitment to convey in accordance with such offer. For a period of forty-five (45) days following receipt of such notice by the Association, it shall have the right to purchase such unit upon the terms and conditions stated in such offer. The acceptance shall be in writing and conveyance shall be made within thirty (30) days after acceptance, in accordance with the terms and conditions of the accepted offer. If such offer is not accepted by the Association within such forty-five (45) day period, the owner shall have the right, continuing for four (4) months thereafter, to convey in accordance with such offer to the person named therein. If the conveyance pursuant to the offer which the Association fails to accept does not occur within four (4) months of the Notice to the Association, or if the owner receives a subsequent offer, then, in that event, the new or subsequent offer shall again be submitted to the Board of Directors as provided herein. Should any fraudulent offer be submitted to the Board of Directors, the Board shall have the right to purchase the given unit at fair market value. There shall be no sale of any unit until all assessments, penalties or other obligations due the Association have been paid.

F. Lawful Use: No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

G. Regulations: Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments shall be furnished by the Association to all unit owners and residents of the condominium upon request.

H. Proviso: Provided, however, that until the Declarant has completed all of the contemplated improvements and closed the sales of all of the units of the condominium, neither the unit owners nor the Assocation nor the use of the condominium property shall interfere with the completion of the contemplated improvements, rental or sale of the units. Declarant may make such use of the unsold units and common areas as may facilitate such completion, rental or sale, including, but not limited to maintenance of an office at 319 Cheviot Chase or such other place on the premises as may be determined by the Declarant, the showing of the property and display of signs. Declarant shall have the right to lease said units while said

units are owned by the Declarant. Nothing in this Declaration shall be construed to require the Declarant to sell all or any of the said units. Declarant reserves the right to transfer the Declarant's interest in THE TERRACES OF MORNINGSIDE HILLS in whole or in part to other entities by sale or otherwise, such entities shall have the same rights and obligations as the Declarant.

8. PERSONS TO RECEIVE SERVICE OF PROCESS. Service of process shall be made upon JEROME W. ARONSON, whose office at the condominium site is 319 Cheviot Chase, Waukesha, Wisconsin, 53186, until such time as the Board of Directors of the Association shall otherwise direct, provided, however, no change in the person or location for the service of process shall become effective until the recording of notice thereof in the Office of the Register of Deeds of Waukesha County, Wisconsin.

9. RECONSTRUCTION AFTER LOSS. In the event of fire, casualty or any other disaster affecting one (1) or more of the units, the insurance proceeds, if sufficient to reconstruct or repair the damaged premises, shall be applied to the reconstruction or repair. Reconstruction or repair as used herein shall mean restoring the damaged premises to

substantially the same condition that it was in prior to the fire, casualty or disaster. Such reconstruction or repair shall be accomplished by the Association.

If the insurance proceeds are insufficient to reconstruct or repair the damaged premises, but are equal to at least ninety (90%) percent of the cost of the reconstruction and repair, then the damaged premises shall be reconstructed or repaired by the Association with the insurance proceeds and all the owners shall be assessed for the deficiency. The provisions of Paragraph 10B, page 14, "Assessments" shall apply to all sums assessed for any deficiency.

If the insurance proceeds are less than ninety (90%) percent of the cost to reconstruct or repair the damaged premises, then the determination as to whether or not to reconstruct or repair the damaged premises shall be made by a vote taken by the members of the Association within ninety (90) days from the date of the fire, casualty or disaster. The unanimous vote of the members of the Association shall be required in order to reconstruct or repair the buildings, and, upon such decision, the owners shall be assessed for the deficiency. The provisions of this Paragraph 10B, page 14, "Assessments" shall apply to all sums assessed for any deficiency. If the required number of members do not vote in favor of reconstruction

or repair within the ninety (90) day period, then the provisions of Section 703.26, Wisconsin Statutes, shall apply.

10. FURTHER DETAILS IN CONNECTION WITH PROPERTY.

A. Association of Unit Owners: After the Declarant, by prior notice to the Association, terminates his management and operation of the condominium property, all the common areas and limited common areas in condominium status shall be administered, managed and operated by a non-profit corporation organized under Chapter 181 of the Wisconsin Statutes, known as THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC., herein referred to as the "Association", and in accordance with the Articles of Incorporation and the By-Laws of the Association. The affairs of the Association shall be managed by a Board of Directors consisting of such number of persons as provided for in the By-Laws. Initially, and for the period determined hereunder, the Declarant shall appoint members of the Board of Directors of the Association or as provided in the Articles of Incorporation. Thereafter, the Board of Directors shall be elected by members in the manner and for the term provided in the Articles of Incorporation and the By-Laws. Each owner of a unit shall be a member of the Association and entitled to one (1) vote for each unit owned. Unit ownership

and voting rights shall be defined in the By-Laws of the Association. Membership shall exist concurrently with ownership and shall terminate when ownership of the fee title terminates. The powers and duties of the Association and owners shall include those set forth in this Declaration and in the Articles of Incorporation and the By-Laws of the Association.

B. Assessments: Assessments shall be made against and collected from the unit owners for all assessments including common expenses pursuant to the By-Laws of the Association. Each unit owner shall be liable for the common expenses as set forth therein; provided that as long as the Declarant is the owner of a unit, the Declarant shall not be responsible for any assessment which may be levied by the Association against any unit owned by the Declarant unless the unit is being leased out by the Declarant. At the time of the conveyance of a unit, the unit owner shall make an advance to the Association equal to twice the assessment for the calendar month preceding the date of conveyance for common expenses, as a contribution towards working funds. All assessments when due shall be both the debt of the unit owner and a lien on the unit. The lien for unpaid assessments shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of

such lien, and including accrued interest at maximum allowable under law. Liens for unpaid assessments shall be signed by an officer of the Association and filed with the Clerk of the Circuit Court if the law so provides.

C. Insurance: The Board of Directors of the Association shall obtain and continue in effect insurance coverage on the building and the other improvements on the property as it pertains to the common area, limited common area and facilities, in an amount equal to the maximum insurable replacement value, affording protection against loss or damage by fire and such other hazards covered by a standard extended coverage endorsement and such other risks or hazards as from time to time shall be customarily covered with respect to buildings similar in construction, location and use. The insurance shall be for the benefit of the Association and the owners and their mortgagees as their interests may appear; provided, however, that all proceeds payable by reason of the insurance shall be paid to the Association as trustee for the owners and their mortgagees for the express purpose of reconstruction and repair as provided herein, or if it is determined in the manner as provided herein that the damaged premises for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be applied as provided. The Board of Directors of the Association shall have the right to waive the requirement of any part thereof as to the payment of insurance proceeds to the Association as Trustee. The foregoing provisions of this paragraph are without prejudice to the right of any owner to obtain individual unit insurance; provided, however that no

owner shall be entitled to exercise his right to maintain individual unit insurance in such a way as to decrease the amount which the Association may realize as Trustee under any insurance policy obtained by reason of the provisions of this paragraph. In addition to the insurance coverage that the Board of Directors of the Association shall obtain as provided above, the Board of Directors shall obtain public liability insurance and such other insurance as it shall determine from time to time to be desirable. All insurance premiums for any insurance coverage obtained by the Board of Directors shall be a common expense to be paid by assessments levied by the Association.

D. Rights of Declarant Prior to Transfer: Until such time as the Declarant has sold all units, or voluntarily transfers control of the Association to the unit owners, the Declarant:

1. Shall have the right to appoint the members of the Board of Directors of the Association, to amend the Declaration and to amend the Association Articles of Incorporation and By-Laws;

2. May, but shall not be obligated to, manage and operate the condominium property, and may enter into contracts for the management of the condominium property with entities associated with Declarant upon such terms and conditions as

Declarant, in his sole discretion, deems reasonable;

3. May use the general and limited common areas and facilities and any unsold unit for any purpose that may facilitate the sale or rental of the units, including, but not limited to, in connection therewith, maintaining a sales and rental office, showing the property and displaying signs;

4. Shall have reserved unto himself the right to grant easements upon, over, through and across the common areas and facilities as may be required for furnishing any kind of utility services and may grant easements upon, over, through and across the common areas and facilities for ingress and egress to and from the condominium property and other real property adjacent to it;

5. Shall have the right to make alterations and changes to the design, location and exterior materials of the building and to alter and change the interior materials and interior arrangement of any unit.

E. Maintenance, Operation, Alteration, Repair and Improvements: Responsibility for the maintenance of the property and restrictions upon the alterations and improvements thereof are as follows:

1. The owner of each unit shall maintain in good condition and repair all of the components or installations within or appertaining to the unit, including but not limited to, all utility lines and installations, the air conditioning and heating system, the water heater, dishwasher, clothes washer and dryer, range, hood and fan duct, garbage disposal, vent fans, door bell stations and buzzers, fixtures, electric wall heaters, basement electric ceiling heater, appliances, equipment, interior walls, partitions, flooring, ceilings, doors and windows. The owner of each unit may paint and decorate the interior of the perimeter walls and all sides of interior walls and surfaces within the unit in such manner as he may desire.

2. The Association shall maintain in good condition and repair, replace and operate all other parts of the property including, but not limited to, the foundation, roof, exterior and other main walls and structural supports, utility lines, conduits, pipes, wires, ducts, supply lines, waste lines utilized in common, chimneys, basement light fixtures and exit lights, fire alarm stations and horns, basement exhaust fans, and all of the general and limited common areas exterior to the building, but

not the windows, unit entrance doors, or hardware thereon, it being the obligation of the owner of the particular unit to maintain such facilities; provided, however, the exterior surface of the window frames and entrance doors shall be painted by the Assocation whenever the exterior is repainted.

3. An owner of a unit shall make no changes within his unit which will weaken or tend to weaken the structural soundness of the building and shall promptly report to the Association any need for repairs for which the Association is responsible.

4. An owner of a unit shall in no case, paint, decorate or alter the appearance of any portion of the property outside of the unit. No owner, except Declarant or Terraces Management Authority for purposes connected with the sale or rental of the unit, may erect, post or display posters, signs, or advertising material in or about the common areas of the property. No awnings, enclosures, or covering of any type shall be installed on the balconies or patios nor shall they be used for the storage of grills, bicycles, wagons, or for the handling or drying of laundry, carpets, rugs or clothing.

5. Except as reserved to the Declarant, the Association shall not make alterations to the exterior of the building or make any other alterations or additions outside the area of any unit without the affirmative vote of eighty (80%) percent of the unit owners.

F. Right of Entry: The Declarant, for himself and his successors and assigns, reserves the right of entry to each unit by himself or by his agents or any person authorized by the Board of Directors of the Association in case of emergency, whether the owner or occupant of the unit is present or not, and, upon prior request and at times convenient for the owner or occupant, to make installations, alternations or repairs.

The Declarant further reserves to the Declarant and to the Association a right of way over, upon and through the entrance area, living area and bedroom closet of Units One and Six in each building to the wooden ladder location in the bedroom closet of Units One and Six of each building, for the purpose of providing access to the attic area of each building. The right-of-way shall only be used by the Declarant or the Association's agents, servants or employees for the purpose of improving, altering, repairing or maintaining the attic and roof of each building. Unless required by emergency, in which case access shall be immediate, use of the right-of-way shall be limited

to the hours of 7:00 a.m. and 7:00 p.m., Monday through Saturday with twenty-four (24) hours notice.

G. Leasing of Units: For the benefit of all occupants of THE TERRACES OF MORNINGSIDE HILLS to preserve the integrity of the Declaration, Articles and By-Laws and protect the investment of the owners, all unit rentals or leases except for those owned by the Declarants at any time, must be processed through The Terraces Management Authority as established herein and hereafter called Authority.

Any owner desiring to rent or lease his unit shall notify the Authority of his intent and supply the following information:

Date Available:

Duration of Lease:

Furnishings in Unit:

Security Deposit Required:

Rental Desired:

Other conditions or Comments:

The Authority shall post the availability of the Unit along with any others offered for rental in the management office; shall show the unit to all qualified prospective tenants; shall advertise along with any other available units; secure prospective applications, make normal credit

investigations; prepare lease; deposit security deposit in trust account (no interest to accrue to owner); collect monthly rentals from tenants and make the following deductions; one twelfth (1/12) of the annual maintenance fee to be deposited in the Association account and credited to owner, any charges for special repairs or maintenance charges required within the unit, any special assessments declared by the Association, a service charge for the Authority, and an initial fee for each lease secured. The Authority shall make every attempt to collect unpaid rentals, but shall not be held accountable for their non-payment. Should any owner secure a qualified tenant for any given unit he must be processed through the Authority, however, the initial lease fee shall be waived. All tenants are subject to the By-Laws and covenants of THE TERRACES OF MORNINGSIDE HILLS to the same degree as any owner, but shall not have a vote unless authorized by voting procedures. Taxes, mortgage payments, and insurance payments are the responsibility of the owner. The Authority shall be responsible for the enforcement of the Association By-Laws and maintenance of the buildings and grounds as directed by the Association and its Board of Directors. The Authority may employ a full-time manager who may be paid a salary from the Association in addition to a rental commission from the Authority.

Before occupancy of any unit the Authority shall make a visual inspection of the unit, fill out the prepared check list and have it signed by the tenant and a copy sent to the owner. At the time of the termination of the lease, the Authority shall again make a visual inspection and fill out the check list. Any defects, deficiencies or damages not caused by normal use of the unit shall be deducted from the security deposit and repaired. Should the security deposit be insufficient, the tenant shall be billed for the excess and it shall be the owner's obligation to collect same. A copy of the final report shall be sent to the owner. Should anyone other than the owner or the owner's family occupy any unit in THE TERRACES OF MORNINGSIDE HILLS without sanction of the Authority, it shall be a violation of Declaration, Articles and By-Laws of the Association and considered an illegal occupancy. The tenant shall be subject to eviction and the owner fined the minimum monthly rental as established by the Authority for the period of occupancy along with legal expenses for the eviction. All excess monies to be deposited to the Association Account. Within ten (10) days after receiving the rent, the Authority shall forward the balance to the owner along with a current monthly statement as prescribed by the Board of Directors of the Association.

The Board of Directors of the Association shall set the rules and regulations for the Authority; shall determine minimum lease durations; minimum security deposits; minimum rentals; service charges to be paid to the Authority for handling the rental properties; initial rental fee and sets such other rules as are reasonably required.

The Terraces Management Authority shall consist of the number of persons set by the Board of Directors of the Association, and shall be appointed for a one (1) year term by the Board of Directors of the Association.

H. Captions: The captions and section headings herein are inserted only as matters of convenience and for reference, and in no way define nor limit the scope or intent of the various provisions hereof.

I. Severability: The invalidity of any provision contained in this Declaration by Judgment or Court Order or otherwise shall not affect any other provisions herein contained.

J. Number and Gender: Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

K. Notices: All notices and documents required to be given by this Declaration or the By-Laws of the Association shall be sufficient

if given to one owner of a unit regardless of the number of owners who have an interest therein to mortgage holders who have recorded their interests with the Secretary of the Association of Unit Owners and to unit occupants where the owner has recorded with the Secretary of the Association proper documents bestowing on the rentor a voting right, pursuant to the By-Laws. Notices and documents to be given to the Declarant shall be served upon Jerome Aronson, at 319 Cheviot Chase, Waukesha, Wisconsin, 53186. All owners shall provide the Secretary of the Association with an address for the mailing or service of any notice.

11. AMENDMENTS TO DECLARATION. This Declaration and any amendment thereto may be amended from time to time by an affirmative vote of not less than eighty (80%) percent of all of the unit owners and the Declarant shall have the right to vote all units owned by Declarant. In no event shall this Declaration be amended in any way that will interfere with the rights of the Declarant. Any amendment to the Declaration adopted from time to time shall be evidenced by an appropriate certification entitled the same to be recorded with the Register of Deeds, and shall not become effective until recorded in the Office of the Register of Deeds for Waukesha County, Wisconsin.

IN WITNESS WHEREOF, this Declaration has been executed this 9th day of June, 1978.

Donald R. Polzin

George Machkovich

Jerome W. Aronson

Jerome Aronson

STATE OF WISCONSIN)
) SS
COUNTY OF)

Personally came before me this 9th day of June, 1978, the above named Donald R. Polzin, George Machkovich, and Jerome Aronson, to me known to be the persons who executed the foregoing instrument and acknowledged the same.

Donald J. Tikalsky
Notary Public
My Commission permanent

This Instrument Drafted By:

Donald J. Tikalsky
Attorney at Law
253 South Street
Waukesha, Wisconsin
(414) 547-6211