EDGEWATER TERRACE CONDOMINIUM ASSOCIATION, INC.

RULES & REGULATIONS

I. INTRODUCTION

The community lifestyle associated with condominium ownership is unique, and in such a community, it is imperative that a harmonious atmosphere is achieved and preserved. It is most important that the rights of others are recognized and protected while, at all times, acting in the best interest of the Association as a whole.

The following Rules & Regulations were formulated for the purpose of governing the day-to-day use of the common area and the activities of owners, residents, and visitors alike. They were prepared using the best judgment of the Board of Directors and are based on Wisconsin Condominium Law and the Edgewater Terrace declarations and bylaws.

According to Wisconsin law, each unit owner and/or resident shall comply strictly with the bylaws and with the administrative rules adopted under provisions of the bylaws. Failure to comply with any of the bylaws and/or Rules & Regulations shall be grounds for action to recover sums due for damages or injunctive relief, or both, by the Board of Directors on behalf of the Association; or in a proper case, by the aggrieved unit owner.

II. DAMAGE

Every unit owner shall be responsible for damage caused to common areas and other units as a result of remodeling or any work whatsoever done to their unit by themselves, contractors, tenants, or invitees.

III. BARBECUING

There shall be no barbecuing or cooking in any manner on the outside platforms or porches on the top floor of Solarium floor of the building.

IV. CHRISTMAS TREES

Live Christmas trees shall be prohibited in any unit for fire and disposal reasons. Only flame retardant, artificial trees are permitted.

V. MOVING IN, MOVING OUT, ETC.

The following regulations apply to moving home furnishing and materials by owners, tenants, and contractors. The Unit owners have final responsibility for tenants and contractors complying with the regulations.

Prior to moving day, the Building Manager is to be notified:

1. Date and approximate length of time of move.

2. Reserve elevator for specific date and time. No reservation of elevator prior to 9:00 a.m., or on weekdays, between the hours of 5:00 p.m. and 6:00 p.m. There will be no moving activity permitted after 9:00 p.m. seven days a week. The building manager will post, on the bulletin board in the mailbox area, the date and time of move for the convenience of the other owners and tenants. Only the east elevator may be reserved and used for moving purposes. The west elevator must be free and available for regular traffic.

3. A $50 bond must be posted for clean-up and damage repair. Any damages in excess of the $50 will be assessed to the unit owner. Persons making the move and contractors should inspect, with the building manager, the premises before and after to determine the clean-up necessary and inspect for damages.

4. All moving of home furnishings and contractors supplies are to be accomplished through the north center overhead door entrance.

The building manager may be found in Unit 1-A. The telephone number is 271-4366.

VI. SECURITY

A. Security and fire doors must be kept closed and locked at all times. Emergency exit doors shall be used for emergencies only.

B. Solicitors shall not be permitted in the building.

C. When using the solarium for larger gatherings, resident shall escort invitees from the lobby to the solarium.

D. At no time shall a resident permit a visitor to enter the building without appropriate verification of the visitors identity.

VII. COMMON AREA

A. No personal property of the residents shall be placed in common interior hallways and areas including doormats, footwear, boxes, etc.

VIII. CHILDREN

Children must not be allowed to play in garages, parking lots, hall areas, or elevators. Any damage or vandalism done by children or their peers will be the responsibility of the parent.

IX. SMOKING

No smoking will be permitted anywhere in the common interior area except the solarium.

X. DRAPES

Pursuant to Declaration Article IV, Section 6. "All windows shall be covered by white backed drapes, which when closed, shall cover the full window."

XI. NOXIOUS ACTIVITY

No noxious or offensive activity shall be carried on in any unit or common area, nor shall anything be done therein which may be or become an annoyance, disturbance, or nuisance to others. No unit owner and/or resident shall make or permit any disturbing noise in the unit or common area by himself, his family, guests, or other invited persons, nor do or permit anything by such persons that will interfere with the rights, comforts, or conveniences of other unit owners and/or residents. No unit owner and/or resident may play or operate, or suffer to be operated, any phonograph, television set, radio, or other sound device in or on the premises at such a high volume or in such other manner as it shall cause disturbances to other unit owners and/or residents.

XII. PETS

A. Pursuant to Declaration Article IV, Section 5. "Animals: No animals or birds shall be permitted within the units except that a single pet, either a domestic pet, dog, cat, or caged bird of a maximum dimension in height of less than 14" and a maximum weight of less than 10 pounds may be kept in the units. No domestic pet, dog, cat, or caged bird may be allowed at large and shall be under control of a person when outside the unit of its owner, shall not enter and exit the building through the main entrance, shall be walked only in designated open areas, and all droppings must be picked up and disposed of by the person in control of such pet."

B. It is the obligation of any unit resident who owns a pet to IMMEDIATELY REMOVE any feces deposited by their pets on the common area. All City of Milwaukee ordinances, relative to pets and health hazards, must be followed.

C. No pet shall be allowed to run loose in the common area without immediate supervision, which means being on a leash no longer than 6 feet and under the control of a person capable of handling said pet. All pets being walked must be on a leash.

D. Unit owners shall be responsible for the replacement or repair of any damage to lawns, buildings, shrubs, or any articles caused by pets of owners or their tenants.

E. No pet shall cause or create a nuisance, hazard, or unreasonable disturbance or noise.

F. Under no circumstances shall any dog, cat, or other pet be chained to any portion of the common area, interior or exterior.

XIII. OCCUPANCY

No more than two unrelated persons shall reside in any one bedroom unit.

No more than three unrelated persons shall reside in any two or three bedroom unit.

XIV. LEASES

All lease agreements shall contain the following clauses:

A. That the premises herein leased and every part thereof shall, during said term, be used for residential purposes.

B. Lessee is aware of a duly promulgated rule of the Edgewater Terrace Condominium Association restricting occupancy of the subject premises to no more than _____ unrelated persons.

C. That the lessee shall obey all lawful orders, bylaws, Rules and Regulations of the Edgewater Terrace Condominium Association.

D. That the lessee shall not paint upon, attach, exhibit, or display, in or about the said premises, any signs or placards to the exterior of the building.

E. That the lessee will not assign this lease nor let or underlet said premises or any part thereof, without the consent of the lessor and the Edgewater Terrace Condominium Association, in writing first had and obtained.

F. That should the lessee, or any of his family, servants, or guests become intoxicated, disorderly, or create or permit any unnecessary noises (noises to include the operation of a radio, television, or stereo set during day or night to the extent that other occupants of the same building make complaint for that reason), or should the lessee use the premises for immoral purposes, or purposes that will otherwise injure the reputation of the building, it shall be the option of the lessor, and in the alternative, it shall be the option of the Edgewater Terrace Condominium Association to declare this lease null and void.

G. That no aerial, antenna, wire, or any other apparatus for any other purpose whatsoever shall be attached or affixed to the exterior of the building or any part thereof.

H. In addition to other rights under the condominium documents, lessee shall be responsible to the Edgewater Terrace Condominium Association for all damages resulting from acts of negligence committed by lessee or his guests.

I. Lessee is aware of a building requirement that all draperies must be white-backed.

J. See also the bylaws, Article XII.

XV. SOLARIUM USE

A. All groups of ten or more are required to reserve the solarium.

1. Only an OWNER may reserve the solarium.

2. Should a renter wish to reserve the solarium, they must do so through the owner of their unit. The owner possesses ultimate financial responsibility for the solarium/deck, areas/ restrooms.

B. How to reserve:

1. The owner must reserve the desired date of use with the building manager.

2. The owner/tenant shall deposit a $275 security deposit with the building manager at least one day prior to the use of the solarium.

3. In addition, the owner/tenant shall deposit $10 (non-refundable) with the building manager at least one day prior to the use of the solarium. This will be considered a Use Fee.

C. Prior to use:

1. In the presence of the building manager, a check-list will be prepared listing pre-existing damages. This list shall be signed by the owner/ tenant and the building manager.

D. After use:

1. The solarium/deck, areas/restrooms must be returned to their original condition by 1:30 a.m. If the area is not vacated by this time, an ADDITIONAL $50 Use Fee will be assessed and deducted from the security deposit for the first hour or part thereof. An additional $100 will be assessed for each hour thereafter.

2. Should the inspection by the building manager reveal any damages to the solarium/deck, areas/ restrooms, or should the areas not be left in a presentable manner, the building manager shall so inform the Board of Directors. The Board of Directors will assess the findings, and should the need for additional clean-up or damage repairs be necessary, the owner/tenant shall be

billed accordingly. In the event there are no damages or additional clean-up time needed, the full security deposit shall be returned.

E. Any group smaller than 10 persons MAY reserve the solarium and would be subject to all of the above stated rules.

F. The solarium will be open and available for use from 8:00 a.m. to 12:00 midnight seven days per week except in the event of a previously reserved party.

G. The Board of Directors reserves the right to terminate any party, at any time, acting through its agent, the building manager, if the party is causing a disturbance to building residents, causing damage to the building, or causing a breach of security.

XVI. ENFORCEMENT

A. Violations may be reported by any unit owner or resident to:

1. The Milwaukee Police Department, if the violation is an infraction of a City ordinance.

2. To the Board of Directors of the Edgewater Terrace Condominium Association, Inc. in care of Management.

B. If a violation is reported to the Board of Directors of the Edgewater Terrace Condominium Association, Inc., same must be in writing and must contain the following:

1. Name of offender and address, if known.

2. Violation observed and brief description thereof.

3. Time and place of occurrence, or if a continuing violation, the time or times of observance of the occurrence.

4. Name, address, and phone number of the reporting unit owner or resident.

C. Upon receipt of a complaint, Management shall attempt to resolve the matter by:

1. Obtaining voluntary correction of the violation, and/or

2. Obtaining voluntary payment of the appropriate fine as per the schedule of fines from time to time prescribed by the Board, and/or

3. Any other solution agreed to by the complainant and the person complained against.

D. If Management is unable to resolve the matter within ten (10) business days from receipt of any complaint, or if parties to the complaint wish to contest the sanction or penalty prescribed by Management, the matter shall be submitted to the Grievance Committee.

XVII. GRIEVANCE

A. The Grievance Committee shall consist of a member of the Board of Directors, an alternate member of the Board of Directors, three (3) Members at Large of the Edgewater Terrace Condominium Association, Inc., and three (3) alternate Members at Large of the Edgewater Terrace Condominium Association, Inc. The Members at Large shall not be officers or members of the Board of Directors of the Association. At any time that the Grievance Committee is convened, the member of the Board of Directors or the alternate shall be present and shall act as Chairperson. A combination of totaling three (3) persons shall also be present. The number of persons constituting any convened Grievance Committee shall be four (4).

B. A majority vote of the committee will determine the action and decisions of the Committee. The Board Member shall not cast a vote except to break a tie.

C. Members serving on any Grievance Committee must not be directly or indirectly involved in the specific dispute at hand.

D. Upon receipt by the Grievance Committee of a grievance, the Member of the Board of Directors selected as Chairperson of the Grievance Committee, or in the inability to do so, the alternate Member of the Board so selected, shall proceed as follows:

1. If, in the sole opinion of the chairperson immediate correction of the violation is sufficient, a letter shall be sent to the offender by certified mail, return receipt requested, stating the alleged facts and asking for immediate compliance or an explanation for noncompliance within five (5) business days following receipt thereof.

2. If mere compliance is not sufficient, if the offender fails to respond to the prior referred to letter, or if such response is insufficient, a second letter shall be sent certified mail, return receipt requested, informing the offender:

   a. Of the time, place, and date of a hearing before the Grievance Committee.

   b. Of the Right to Counsel.

   c. That evidence shall be received and a record made whether or not the offender attends.

   d. That if found guilty, a fine may be imposed in accordance with the schedule of sanctions and penalties, plus costs and actual attorney's fees incurred by the Association.

   e. That any such fine imposed will constitute a Lien against the subject unit.

3. At least five (5) business days prior to the convening of the hearing, a representative of the committee will notify all parties making the Grievance and all parties being complained against of the hearing date, time, and location.

4. Said hearing shall be divided in two sections:

   a. The hearing.

   b. The determination and decision.

   The hearing section shall be open only to the Committee, Board of Directors, the parties involved, and their witnesses. The determination and decision section of the meeting shall be closed to all except the Committee. The decision will be rendered in writing to concerned parties within five (5) business days of the hearing. It will consist of three parts -- statement of facts, summary of evidence received, and decision and resolution.

5. If the person, or their spokesperson, making the grievance fails to appear at the hearing called, without a valid excuse accepted by the Committee

Chairperson, the grievance will be dismissed

without prejudice and reasonable and necessary costs incurred by the responding party assessed against the complaining party.

6. If the person complained against fails to appear, the aggrieved party must still prove his grievance and no presumption can be made from the non-appearance.

7. The burden of proof shall be on the aggrieved party to prove the grievance by a reasonable preponderance of the evidence.

E. A decision of the Grievance Committee may be appealed to the Board of Directors by any unit owner or resident receiving an assessment of damages or other sanctions. Either involved party dissatisfied with any particular sanction or condition established by the Committee may also appeal.

F. Any appeal shall be heard by the Board of Directors, as a whole.

G. An appeal shall be made by submitting, within five (5) business days of notification of the decision, a written intent to appeal said decision.

H. The Board of Directors shall establish its procedure to consider any appeal made as outlined above for the Grievance Committee. The decision of the Board of Directors is final.

I. If the appeal involves a specific assessment or charge, the Board of Directors shall have the option of adjusting the charge, although it shall not exceed doubling the original charge.

XVIII. SCHEDULE OF SANCTIONS AND PENALTIES

Sanctions and penalties imposed may include the following:

A. Informal letter or reprimands.

B. Formal letter or published notice of reprimand.

C. Loss of voting rights or rights to use recreational areas.

D. Correction of violation by Association at the ultimate expense of the violator.

E. Assessments:

1. For damages, liquidated, and/or actual.

2. For all fees and other expenses incurred by the Association including late fees and interest.

3. As prescribed by the Board of Directors or the Grievance Committee.

F. Police action, towing, etc.

G. Action by legal counsel, including court action, liens, and foreclosure.

H. All other judicial sanctions available.

I. Any other action deemed appropriate.

XIX. ASSESSMENTS

The following assessments shall be levied against respective unit owners for violations of the Rules & Regulations:

A. First violation - No assessment. A letter of reprimand shall be mailed.

B. Second violation - A $50 assessment shall be levied per individual violation.

C. Third violation - A $100 assessment shall be levied per individual violation.

D. Fourth and successive violation - A $200 assessment or double the previous assessment, whichever is greater.