EXECUTIVE SUMMARY

Condominium Name: Terraces of Morningside Hills

This Executive Summary was prepared or revised on February 1, 2021 (insert date).

This Executive Summary highlights some of the information prospective purchasers are most interested in learning, as well as some of the information they should consider when contemplating the purchase of a residential condominium unit. The following sections either briefly summarize pertinent information or direct prospective buyers to specific documents, sections and/or pages of the condominium materials that discuss a topic in detail. A section identified with an 🕮 icon may refer a prospective purchaser to specific page numbers or sections of the condominium materials for more information about a topic.

This summary is not intended to replace the prospective purchaser's review of the condominium declaration, bylaws and other condominium disclosure materials nor is it a substitute for a professional review of the condominium documents or legal advice.

1. Condominium Association Management and Governance

- Condominium association name The Terraces of Morningside Hills Condominium, Inc.
- Association address c/o Prospect Management Company, 224 N 76th St, Milwaukee, WI 53213
- The association is managed:
  - ☐ By the Unit Owners (self-managed)
  - ☒ By a management agent or company
  - ☐ By the declarant (developer) or the declarant's management company
- Person(s) to be contacted for more information about the condominium Prospect Management Company
- Address, phone number, and other contact information for the contact person 224 N. 76th St, Milwaukee, WI 53213, 414-540-0004, help@pmcwi.com

🕮 For condominium document references regarding association governance and a condominium contact person, see Declaration of Condominium, Article 10.A; By-Laws, Article VI, Article XII, Section 3

2. Parking

- Number of parking spaces assigned to each Unit: 2 Number Outside 1 Inside 1
  ☐ Common Element ☐ Limited Common Element ☒ Included as part of the Unit
  ☐ Separate Non-voting Units ☐ Depends on Individual Transaction [check all that apply]
- Parking fees (include separate maintenance charges, if any) ☒ No ☐ Yes, $_____ per _____
  Other (*specify*): _____
- Parking assignments reserved or designated on the plat or in the condominium documents:
  ☒ No ☐ Yes -- Where? _____
- Parking spaces assigned to a unit by a separate deed: ☒ No ☐ Yes
- Ability to transfer parking spaces between Unit Owners: ☒ No ☐ Yes
- Describe parking available for visitors Surface level parking is available for visitors
- Describe any other parking restrictions _____

🕮 For condominium document references to parking, see Declaration of Condominium, Article 2 and Article 3

3. Pets

- Are pets allowed? ☒ No ☐ Yes—describe the kinds of pets allowed: _____

♦ Pet rules and restrictions: _____

_____

_____

📖 For condominium document references regarding pet rules, see _____
Declaration of Condominium, Article 7.D. and By-Laws Article IX, Section 4, Condominium Rules

4. Unit Rentals

♦ May Unit Owners rent out their condominium units? ☐ No ☒ Yes -- describe the limitations and restrictions on unit rentals: No more than 10% of the total units in the condominium association may be leased.

_____

_____

📖 For condominium document references regarding unit rentals, see _____
as amended by Exhibit B-1 of the Declaration of Condominium, Article 10.G. as amended by Exhibit B-5 of the Declaration of Condominium; By-Laws, Article XII, Section 3; Condominium rules.

5. Special Condominium Amenities or Features

The condominium has a heated swimming pool and tennis court. Maintenance costs for these amenities are included in condominium assessments (dues).

_____ (describe any special amenities and features)

♦ Are Unit Owners obligated to join or make additional payments for any amenity associated with the condominium, such as an athletic club or golf course? ☒ No ☐ Yes -- cost: _____

_____

📖 For condominium document references regarding special amenities, see _____
Condominium Rules.

6. Unit Maintenance and Repair Responsibilities

♦ A Unit Owner's responsibilities for unit maintenance and repair include: _____
The unit owner shall maintain in good condition and repair all of the components or installations within or pertaining to the unit.

_____

_____

📖 For condominium document references regarding unit maintenance and repair responsibilities, see _____
Declaration of Condominium, Article 10.E.; By-Laws, Article IX, Section 2.

_____

7. Common Element and Limited Common Element Maintenance, Repair and Replacement

♦ Person(s) responsible for common element maintenance, repair and replacement: Association

_____

♦ Repair and replacement of the common elements is paid for by:
- ☐ Unit Owner assessments
- ☐ Reserve funds
- ☒ Both
- ☐ Other *(specify)*: _____

♦ Person(s) responsible for limited common element maintenance, repair and replacement: _____

_____

♦ Repair and replacement of the limited common elements is paid for by:
- ☐ Unit Owner assessments
- ☐ Reserve funds
- ☒ Both
- ☐ Other *(specify)*: _____

📖 For condominium document references regarding common element and limited common element maintenance, repair and replacement, see Declaration, Section 5 & Section 10(D).

_____

8. Reserve Funds

♦ Does the condominium association maintain reserve funds for the repair and replacement of the common elements? ☐ No ☒ Yes

♦ Does the association have a Statutory Reserve Account*? ☒ No ☐ Yes

- Total condominium reserve funds balance is $ 202,175.81
  Note: This amount is current as of the date this Executive Summary was prepared or revised.

📖 For condominium document references regarding this condominium's reserve funds for repairs and replacements, see annual operating budget & financials.

*Note: A "Statutory Reserve Account" is an account established under Wis. Stat. § 703.163 to be used for the repair and replacement of the common elements in a residential condominium (optional for a small condominium with up to 12 residential units or a mixed-use condominium with residential and non-residential units). In a new condominium, the developer initially decides whether to have a statutory reserve account, but after the declarant control period has ends, the association may opt-in or opt-out of a statutory reserve account with the written consent of a majority of the unit votes. A condominium may have other reserve accounts that are not statutory reserve accounts.

9. Fees on New Units

- Are there provisions excusing the declarant (developer) from paying assessments or modifying the declarant's obligation to pay assessments for the units still owned by the declarant during the period of declarant control?
  - ☒ Not applicable (no developer-owned units or declarant control has ended)
  - ☐ No
  - ☐ Yes -- describe in what way: _____
- Describe other provisions in the declaration, bylaws, or budget addressing the levying and payment of assessments on units during the period of declarant control: _____

📖 For condominium document references to condominium fees during the declarant control period, see _____

10. Expansion Plans

- as the Declarant (developer) reserved the right to expand this condominium in the future?
  ☒ No ☐ Yes -- number of additional units that may be added through the expansion: _____ units
- Expansion period ends: _____
- Condominium management during the expansion period is by: _____

📖 For condominium document references regarding condominium expansion plans, see _____

11. Unit Alteration and Limited Common Element Enclosure

- Unit Owner may alter a unit or enclose limited common elements: ☒ No ☐ Yes
- Describe the rules, restrictions and procedures for altering a unit: Owners may alter a unit as they see fit provided it does not affect the structural soundness of the building.
- Describe the rules, restrictions and procedures for enclosing limited common elements: Not permitted.

📖 For condominium document references to unit alterations and limited common element enclosures, see Declaration of Condominium, Article 10.E.

12. First Right of Purchase

- The condominium association has a right of first purchase, also sometimes referred to as a right of first refusal, when a condominium unit is offered for sale: ☒ No ☐ Yes

📖 For condominium document references to any first right of purchase held by the condominium association, see _____

13. Transfer Fee

- The condominium association charges a fee in connection with the transfer of ownership of a unit: ☐ No
  ☒ Yes -- amount charged: $ Seller pays Transfer Fee of $150 to association at close
  Buyer pays capital contribution in amount equal to two months association fees to association at close.

📖 For condominium document references to fees charged in connection with a unit ownership transfer, see _____

_____

14. Payoff Statement Fee

- Condominium association charges a fee for providing a payoff statement regarding unpaid unit assessments and charges: ☒ No ☐ Yes -- amount charged: $ _____

📖 For condominium document references to fees charged for payoff statements under Wis. Stat. § 703.335, see Pursuant to Wis. Stats. Sec. 703.335(4), for each additional payoff requested during that two month period there is a $25.00 charge.

15. Disclosure Materials Fee

- Condominium association charges a fee for providing the condominium disclosure materials a unit seller must provide to a prospective unit buyer: ☐ No ☒ Yes-- amount charged: $ The actual cost of furnishing the information or $50.00, whichever is less pursuant to Sec. 703.20(2)(a) Wis. Stat.

📖 For condominium document references regarding fees charged for providing the condominium disclosure materials, see _____

_____

16. Other restrictions or features (optional): _____

_____

_____

17. Amendments

Condominium materials can be amended in a way that might change the rights and responsibilities of Unit Owners. Wisconsin law allows the Unit Owners to amend the condominium declaration, bylaws and other condominium documents if the required votes are obtained. Some of these changes may alter a Unit Owner's legal rights and responsibilities with regard to the condominium unit, including some of the information included in this Executive Summary. Unit Owners and prospective purchasers should review the amendment requirements in the declaration, bylaws, rules and regulations, or other condominium documents.

📖 For condominium document references regarding condominium document amendment procedures and requirements, see Declaration of Condominium, Article 11; By-Laws, Article XI

_____

This Executive Summary was prepared on the date stated on page one by Prospect Management Co.

_____ (print name and title or position).

Instructions for Completing the Executive Summary. The Executive Summary is one of the condominium disclosure documents that must be furnished to a prospective purchaser of a residential condominium unit. The Executive Summary addresses the topics set forth in Wis. Stat. § 703.33(1)(h) in clear, plain language or by indicating the location within the disclosure materials where the information may be found. The Executive Summary must state the date on which it is prepared or revised. It shall be revised whenever a change in the condominium materials necessitates a corresponding revision to the Executive Summary. The preparer of the Executive Summary should consult an attorney with any questions concerning preparation of the Executive Summary.

Executive Summary Legal Requirements. Per Wis. Stat. § 703.33(1m), the declarant (developer) or the association is responsible for preparing the Executive Summary and revising it whenever a change is made in the disclosure materials that necessitates a corresponding revision to the Executive Summary. An Executive Summary must appear in the condominium disclosure materials directly following the index [Wis. Stat. § 703.33(2)], and must be attached as an addendum to the real estate condition report that a seller gives to a prospective purchaser, generally before the prospective purchaser writes an offer to purchase [Wis. Stat. § 709.02]. An Executive Summary may not be required as part of the disclosure materials for a "small condominium" (up to twelve residential units), depending upon the elections made in the declaration [Wis. Stat. § 703.365 (1) & (8)].

CAUTION: NEITHER REAL ESTATE LICENSEES NOR UNIT OWNERS SHOULD COMPLETE THIS FORM!

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No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.