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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Michael J. Harlinger

(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

S.T.

THE

1642056

AMENDMENT TO DECLARATION OF CONDOMINIUM OF
THE TERRACES OF MORNINGSIDE HILLS

The Declaration of Condominium of The Terraces of Morningside Hills recorded as Document No. 1051041 on June 9, 1978, Reel 304, Images 498-528, Register of Deeds, Waukesha County, Wisconsin, are hereby amended by the written consent of more than 80 percent of the unit owners in the association whose consent became effective upon the approval of all of the unit owners mortgagees, if any; all pursuant to the authority granted in the Declaration of Condominium of The Terraces of Morningside Hills and the statutes of the State of Wisconsin, as follows:

SEE ATTACHED EXHIBITS A-1 through A-4 and Exhibits B-1 through B-7.

In all other respects, the Declaration of Condominium of The Terraces of Morningside Hills shall continue in full force and effect.

IN WITNESS THEREOF, the President and Secretary of The Terraces of Morningside Hills have executed this Amendment to the Declaration of Condominium of The Terraces of Morningside Hills at Waukesha, Wisconsin, this 8 day of April, 1991.

THE TERRACES OF MORNINGSIDE HILLS
CONDOMINIUM, INC.

George Machkovich
President

Donald Polzin
Secretary

STATE OF WISCONSIN)
) ss.
COUNTY OF WAUKESHA)

Personally came before me this 8 day of April, 1991, the above-named GEORGE MACHKOVICH and DONALD POLZIN, President and Secretary, respectively, of THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC., to me known to be the persons who executed the foregoing instrument and acknowledged the same, as the act of said THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC., by its authority.

J. Steven Tikalsky
Notary Public, State of Wisconsin
My Commission: Permanent

THIS INSTRUMENT DRAFTED BY:
J. Steven Tikalsky
TIKALSKY, RAASCH & TIKALSKY
253 South Street, P.O. Box 2149
Waukesha, WI 53187
Telephone: 414-547-0555

jst:ll/a:TOMHC.A1

ARTICLE 7

PURPOSE AND RESTRICTIONS OF USE OF UNITS AND TRANSFER

Delete the entire paragraph as follows:

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 consanguinity 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 un;it 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.

This paragraph is replaced by Exhibit B-1.

Article 9

Delete title to Article as follows:

RECONSTRUCTION AFTER LOSS.

This title is replaced as set out on Exhibit B-2 and additional wording as set out on Exhibit B-2 is added to this Article.

ARTICLE 10

Delete the entire paragraph as follows:

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.

This paragraph is replaced by Exhibit B-3.

ARTICLE 10
FURTHER DETAILS IN CONNECTION WITH PROPERTY.

The second-last paragraph of 10G, Leasing of Units, shall be deleted as follows:

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 wording on Exhibit B-5 shall become the second last paragraph of Article 10G.

Exhibit A-4

ARTICLE 7
(Modify Paragraph 7B)

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 in order to maintain the character of the condominium (except as may otherwise be approved by the Board of Directors of the Association) unless such restriction is found to be not legally valid and there shall be not more than four (4) persons from the same family unit regardless of their degree of consanguinity 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.

(Article Title Name Amended)

ARTICLE 9

CONDEMNATION, LIQUIDATION AND RECONSTRUCTION AFTER LOSS

That the following wording is added to the end of Article 9 of the original Declaration of Condominium of The Terraces of Morningside Hills:

The association shall represent the unit owners and handle for the unit owners any losses or proceeds from condemnation, destruction or liquidation. Any proceeds shall be payable to the owners association for the benefit of the owners and their mortgage holders.

ARTICLE 10

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 expense 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 the maximum allowed by law but not to exceed 18 percent. To the extent permitted by law, the lien provided for herein shall be subordinate to the lien of any first mortgage on the unit if the first mortgage was recorded before the delinquent assessment was due. 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.

Article 10E

6. The Association shall establish and maintain an adequate reserve fund for the replacement of improvements to the common areas and limited common areas that it is obligated to maintain.

The above Article 10E 6. added to the Declaration of Condominium of The Terraces of Morningside Hills.

Article 10G

The following paragraph shall become the second last paragraph of Article 10G:

The Board of Directors of the Association shall set the rules and regulations for the authority; shall determine minimum lease durations which shall be no less than 30 days but may be established at a longer period; minimum security deposits; minimum rental; service charges to be paid to the authority for handling the rental property; initial rental fee and such other rules as are reasonably required. All leases shall be in writing.

Article 10L

L. Remedies for Violation by Unit Owner. If any unit owner fails to comply with the condominium law of the State of Wisconsin, this Declaration or the By-Laws, such unit owner shall be liable for damages caused by the failure or for injunctive relief or both by the Association or by any other unit owner.

The above Article 10L is added to the Declaration of Condominium of The Terraces of Morningside Hills.

Article 10M

M. Right of Mortgagee. Holder, insurer or guarantor of the mortgage of any unit in the condominium project has the right to timely notice of

* any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
* any 60-day delinquency in the payment of assessments or charges owned by the owner of any unit on which it holds the mortgage;
* a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners' association; and
* any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

To be entitled to receive this information, the mortgage holder, insurer, or guarantor must send a written request to the Association, stating both its name and address and the unit number or address of the unit on which it has (or insures or guarantees) the mortgage.

The above Article 10M is added to the Declaration of Condominium of The Terraces of Morningside Hills.

REGISTER'S OFFICE
WAUKESHA COUNTY, WIS.
1991 APR -9 PM 1:32
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Exhibit B-7

jst:ll/a:TOMHC.ExB

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REEL 1290 IMAGE 0315

S.T.

DOC# 1145436

REEL 951 IMAGE 519

OCT 30, 1987

AMENDMENT TO DECLARATION OF CONDOMINIUM OF THE TERRACES OF MORNINGSIDE HILLS

The Declaration of Condominium of The Terraces of Morningside Hills recorded as Document No. 1051041 on June 9, 1978 Reel 304, Image 498-528 Register of Deeds, Waukesha County, Wisconsin, are hereby amended by an affirmative vote of not less than 80% of all unit owners and not less than 75% of all mortgagees pursuant to the authority granted in The Declaration of Condominium of The Terraces of Morningside Hills and the Statutes of the State of Wisconsin, as follows:

ARTICLE 7
PURPOSE AND RESTRICTIONS OF USE OF UNITS AND TRANSFER

E. Is hereby deleted and replaced by the following:

"E. Transfer of Units: An owner of a unit desiring to convey title to such unit shall, upon the acceptance of a bonafide offerto purchase such unit, notify the Board of Directors of the Association in writing of such offer. That within five (5) days of the closing of the actual purchase/sale, the new unit owner shall notify the Board of Directors of the Association in writing of the new owner(s) and address of the unit transferred. There shall be no sale of any unit until all assessments, penalties or other obligations due the Association have been paid."

In all other respects the Declaration of Condominium of The Terraces of Moringside Hills shall continue in full force and effect.

IN WITNESS THEREOF, the President and Secretary of The Terraces of Morningside Hills have executed this Amendment to Declaration of Condominium of The Terraces of Morningside Hills at Waukesha, Wisconsin this 26th day of October, 1987

THE TERRACERS OF MORNINGSIDE HILLS CONDOMINIUM, INC.

President Donald R. Polzin

Secretary Jerome W. Aronson

Personally came before me this 26th day of October, 1987
the above named Donald R. Polzin and Jerome W. Aronson
to me known to be the person who executed the foregoing instrument and acknowledge the same.

R.G. GEBHARDT
Notary Public, State of Wisconsin
My Commission expires: August 26th, 1990

This document drafted by:
J. Steven Tikalsky, Attorney
253 South Street
Waukesha, Wisconsin 53186

ARTICLES OF INCORPORATION

OF

THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC.

The undersigned, being a natural person over the age of eighteen (18) years and acting as incorporator of a non-stock non-profit corporation under the provisions of the Wisconsin Non-Stock Corporation Law, Chapter 181 of the Wisconsin Statutes, does hereby adopt the following as the Articles of Incorporation of such corporation.

ARTICLE I

NAME

The name of the corporation shall be THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC.

ARTICLE II

PERIOD OF EXISTENCE

The period of existence of the corporation shall be perpetual.

ARTICLE III

PURPOSES

The purposes for which this corporation is organized are as follows:

(a) To serve as an association of unit owners who own real estate and improvements under the condominium form of use and ownership as provided in the Unit Ownership Act of the State of Wisconsin, Chapter 703

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of the Wisconsin Statutes, and subject to the terms and conditions of the Declaration of Condominium for The Terraces of Morningside Hills Condominium, Inc. as recorded in the office of the Register of Deeds for Waukesha County, Wisconsin;

(b) To serve as a means through which the unit owners may collectively and effectively administer, manage, operate and control the condominium property in accordance with the Unit Ownership Act and the Declaration; and

(c) To engage in any lawful activity within the purposes for which a non-stock, non-profit corporation may be organized under the Wisconsin Non-Stock Corporation Law, Chapter 181 of the Wisconsin Statutes, subject to the Unit Ownership Act and the Declaration of Condominium for The Terraces of Morningside Hills Condominium, Inc.

ARTICLE IV

MEMBERS

There shall be one class of members designated as "Unit Owner Members." The respective rights and qualifications of the class of members are set forth in the By-Laws of the corporation.

ARTICLE V

PRINCIPAL OFFICE AND REGISTERED AGENT

The location of the principal office of the corporation shall be 319 Cheviot Chase, Waukesha, Wisconsin 53186, and the initial registered agent shall be Jerome Aronson at the above address.

ARTICLE VI

DIRECTORS

The number of directors of the corporation shall be fixed in the By-Laws but in no event shall be less than three (3). The manner in which the directors shall be elected, appointed or removed shall be provided by the By-Laws. The Board of Directors shall adopt the initial By-Laws.

The number of directors constituting the initial Board of Directors shall be three (3), and the names and addresses of the initial directors are:

Donald R. Polzin
W246 S3145 Industrial Ln.
Waukesha, Wisconsin 53186

Jerome Aronson
319 Cheviot Chase
Waukesha, Wisconsin 53186

George Machkovich
1027 Nagawicka
Delafield, Wisconsin 53018

ARTICLE VII

INCORPORATOR

The name and address of the incorporator of the corporation is:

Donald R. Polzin
W246 S3145 Industrial Ln.
Waukesha, Wisconsin 53186

ARTICLE VIII

STOCK, DIVIDENDS AND DISSOLUTION

The corporation shall not have or issue shares of stock. No dividend shall ever be paid and no part of the assets or surplus of the

corporation shall be distributed to its members, directors or officers. The corporation may pay compensation in reasonable amounts to employees, members, directors or officers for services rendered, and may confer benefits upon its members in conformity with its purposes.

In the event of dissolution of the corporation, all of its assets, after payment of its liabilities, shall be distributed to such one or more non-profit corporations, societies or organizations having purposes deemed by a majority of its directors to be similar to those of this corporation, and, if none are deemed to exist, then to non-profit corporation, societies or organizations devoted to the promotion of aesthetic, cultural or educational purposes.

Executed in duplicate on this 12th day of June, 1978.

Donald R. Polzin

STATE OF WISCONSIN)
(SS
COUNTY OF

Personally came before me this 12th day of June, 1978, the above named Donald R. Polzin known to me to be the person whose name is subscribed to the foregoing Articles or Incorporation, and he acknowledged that he executed the same for the purposes therein contained.

Donald J. Tikalsky
Notary Public, State of Wisconsin
My commission: permanent

This instrument was drafted by
Donald J. Tikalsky, Attorney
253 South Street
Waukesha, Wisconsin 53186

— Manitowoc —

STATE OF WISCONSIN
DEPARTMENT OF STATE
FILED #25
JUN 12 1978
DOUGLAS LAFOLLETTE
SECRETARY OF STATE

Atty. Donald J. Tilatsky
253 South St.
Manitowoc, Wi. 53186

T 7370

Form 103-Sec. State
Certificate of Incorporation

United States of America

STATE OF WISCONSIN
Office of Secretary of State

To All to Whom These Presents Shall Come:

The undersigned, as Secretary of State of the State of Wisconsin, hereby certifies that on June 12, 1978 Articles of Incorporation were filed in my office under the provisions of Chapter 181 of the Wisconsin Statutes, for the following corporation formed

WITHOUT STOCK AND NOT FOR PROFIT:

Name: THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC.

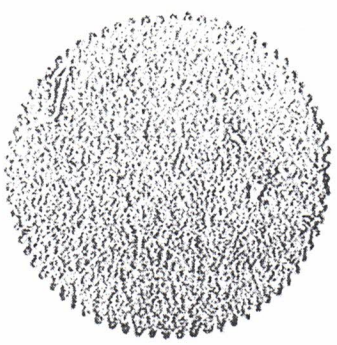
Principal Office: 319 Cheviot Chase
Waukesha, WI 53186

Purposes for which organized: To serve as an association of unit owners who own real estate and improvements under the condominium form of use and ownership as provided in the Unit Ownership Act ....

I further certify that a certificate has been filed in my office to the effect that a duplicate of said Articles, bearing my certificate, was recorded in the office of the Register of Deeds of Waukesha County, Wisconsin, on June 13, 1978

THEREFORE, The State of Wisconsin does hereby grant unto the said corporation the powers and privileges conferred by the Wisconsin Statutes for the purposes stated and in accordance with said Articles.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, at the Capitol, in the City of Madison, on June 15, 1978



Douglas LaFollette

DOUGLAS LAFOLLETTE
Secretary of State

SEE REVERSE FOR MORE INFORMATION

OFFICE OF THE
REGISTER OF DEEDS

The undersigned, as Register of Deeds of (COUNTY) Waukesha County, Wisconsin, certifies that on (DATE) June 13, 1978

there was received and accepted for record in my office, instrument(s) bearing the certificate of the Secretary of State of the State of Wisconsin, and described as

(X) Articles of Incorporation ( ) Amendment(s) to Articles of Incorporation *
( ) Articles of Dissolution ( ) Articles of Merger * ( ) Name Reservation *
( ) Articles of Consolidation * ( ) Restated Articles *
( ) Change of Registered Office and/or Agent

OF

THE TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC.

LIST CORPORATE
NAMES HERE

(S E A L) Witness my hand and official seal on June 13, 1978 (DATE)

Register of Deeds

Please return executed Certificate to:
DOUGLAS LaFOLLETTE, Secretary of State
244 W. Washington Av
Madison, Wisconsin 53702

6-12-78

(* Please identify documents by date of filing with Secretary of State)

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United States of America

State of Wisconsin

DEPARTMENT OF FINANCIAL INSTITUTIONS

To All to Whom These Presents Shall Come, Greeting:

I, Patti Epstein, Administrator, Division of Corporate and Consumer Services, Department of Financial Institutions, do hereby certify that the annexed copy has been compared with the document on file in the Corporation Section of the Division of Corporate & Consumer Services of this department, and that the same is a true copy thereof; and that I am the legal custodian of said document, and that this certification is in due form.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department.

Patti Epstein

PATTI EPSTEIN, Administrator Division of Corporate and Consumer Services
Department of Financial Institutions

Sheryl Remy

Date: 11/10/20

By: Sheryl Remy

AMENDED AND RESTATED BY-LAWS

OF

THE TERRACES OF MORNINGSIDE HILLS

CONDOMINIUM, INC.

ARTICLE I

IDENTITY

These By-Laws are the By-Laws of the Terraces of Morningside Hills Condominium, Inc., a nonstock corporation created under the provisions of the Wisconsin Nonstock Corporation Law, Chapter 181 of the Wisconsin Statutes, which Articles were filed with the Secretary of State of the State of Wisconsin on June 12, 1978, and subsequently recorded in the Office of the Register of Deeds for Waukesha County. The said property is located in the City of Waukesha, Waukesha County, Wisconsin, and has been submitted to the provisions of the Wisconsin Unit Ownership Act by a Declaration of Condominium recorded in the Office of the Register of Deeds of Waukesha County, Wisconsin on the 9th day of June, 1978, as Document No. 1051041. The provisions of these By-Laws are applicable to the property and to the use and occupancy thereof and together with the rules and regulations passed by the Association and in conjunction with the Declaration of Condominium shall apply to govern and control the condominium property identified as Lot 1, Block 3, Morningside Hills, a subdivision, located in the City of Waukesha, Waukesha County, Wisconsin.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the condominium and Board of Directors shall be as stated on file with the Wisconsin Department of Financial Institutions.

ARTICLE III

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE IV

SEAL

The corporation shall have no seal.

ARTICLE V

MEMBERS AND VOTING

SECTION 1. Qualification of Members. The membership shall consist of the unit owners who have record title in their name. A land contract vendee shall be deemed to be an owner. Each condominium unit shall have but one vote on each matter submitted to a vote within the Association, regardless of how many persons are owners of each individual unit.

SECTION 2. Annual Meeting. The Annual meeting of the membership shall be held during the second quarter of each year at the date, time and place (whether physical or virtual) set by the Board of Directors for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

SECTION 3. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or the Board of Directors, and shall be called by the President at the request of 30% of all unit owners entitled to vote.

SECTION 4. Place of Meeting. Meeting of the Association of Unit Owners shall be held at a convenient place, whether physical or virtual, such as may be designated by the Board of Directors.

SECTION 5. Notice of Meetings. The Secretary shall give notice of each annual or special meeting, stating the purpose for which the meeting is called and the time and place (physical or virtual) where it will be held to each Unit owner whose name is recorded in the books of the Association. Notice of the annual meeting shall be given not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally, electronically, or by mail, and in the case of a special meeting, not less than forty-eight (48) hours before the time of the meeting, either personally, electronically, or by mail. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, addressed to the unit owner at his address as it appears in the records of the Association or the address as given to the Secretary for that purpose, with postage prepaid thereon. If emailed, the notice shall be deemed to be delivered upon sending to the email address on file with the Association. Whenever any notice is required to be given to any owner under the Articles of Incorporation or the By-Laws or any provision of law, a waiver thereof signed at any time, whether before or after the time of the meeting, by the owner entitled to such notice, shall be deemed equivalent to the giving of such notice.

SECTION 6. Adjourned Meetings. If any meeting of the Association cannot be organized because a quorum has not attended, the owners who are present, either in person, electronically (remotely, by electronic means), or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

SECTION 7. Action Without a Meeting by Written Ballot. Any action required or permitted by any provision of the Wisconsin Nonstock Corporation Law, the Declaration, the Articles of Incorporation, or these By-Laws to be taken by the vote of the unit owners may be taken without a meeting if the Association delivers a written ballot to every unit owner entitled to

vote on the matter. The written ballot may be delivered to the unit owner by any of the methods set forth in Article V, Section 5 above. The written ballot shall set forth each proposed action, shall provide an opportunity to vote for or against each proposed action, and shall be accompanied by a notice stating the number of responses needed to meet the quorum requirements, the percentage of approvals necessary to approve each matter other than election of directors, and the time by which the ballot must be received by the secretary of the Association in order to be counted. Ballots may be delivered to the secretary via email or other electronic means. Approval of any action by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required at a meeting authorizing the action, and the number of approvals 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. Once received by the secretary of the Association, a written ballot may not be revoked.

SECTION 8. Quorum. Except as otherwise provided, a majority of the unit owners entitled to vote represented in person, electronically (remotely, by electronic means), or by proxy, shall constitute a quorum.

SECTION 9. Proxies. At all meetings of owners, an owner entitled to vote may vote by proxy appointed in writing by the owner or by their duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting, and may be revoked at any time. Proxies may be filed with the Secretary via email or other electronic means. No proxy shall be valid after 180 days from the date of its execution, unless otherwise provided in the proxy.

SECTION 10. Voting. Each unit shall have one (1) vote and except as otherwise provided shall be cast by the unit owner. When a unit is owned by more than one (1) person, is under lease, or there is a land contract vendee, a unit owner shall vote unless there has been designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association, instructing otherwise. If the owners of a unit cannot agree on the designated voter for that unit, such unit shall lose its vote until such certificate shall be filed. If the unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated be a certificate of appointment signed by a duly authorized officer of the corporation and filed with the Secretary of the Association prior to the voting being cast. Such certificates shall be valid until revoked or until superceded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate or a proxy designating the person entitled to vote, the vote of a unit may be revoked by the owner thereof at any time. When a person or any other entity owns more than one unit at the time of the vote, that person or entity shall have a vote for each unit owned. Votes may be cast at an owners' meeting either in person, electronically (remotely, by electronic means), or by proxy.

SECTION 11. Majority Vote. Except as otherwise provided herein, or in the Declaration of Condominium, a majority of the votes cast at any meeting at which a quorum is present shall be decisive of any motion or election.

SECTION 12. Order of Business. The order of business at all meetings shall be set and determined by the President or other presiding officer.

ARTICLE VI

BOARD OF DIRECTORS

SECTION 1. Powers and Duties. The Board of Directors shall have the powers and duties as are necessary for the administration of the condominium property, including, but not limited to, the following:

(a) Make all rules and regulations respecting the operation, use and occupancy of the condominium property;

(b) Make and collect assessments from the members of the Association in accordance with the provisions of the Declaration of Condominium and expend the assessments for the maintenance, repair and operation of the general and limited common areas of the condominium property, for insurance and taxes for the common areas and limited common areas, and charges for utility services necessary for the operation of the condominium property or for such other purposes as the Board may determine;

(c) Execute contracts on behalf of the Association, employ necessary personnel, and carry out all functions and purposes necessary for the operation of the condominium property;

(d) Satisfy all liens against the condominium property and pay necessary expenses connected therewith;

(e) Perform such other functions as may be authorized by law.

SECTION 2. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) persons. Each member of the Board of Directors shall be a Unit Owner or, if a Unit Owner is a partnership, then a general partner of such Unit Owner may be a director and if a Unit Owner or such partner is a corporation, then an officer of such corporation or an agent appointed by the board of directors of such corporation may be a director. If a Unit or Units is/are owned by spouses or domestic partners, the spouses or domestic partners are prohibited from serving as directors at the same time, regardless of the number of Units owned. If a Unit Owner has a delinquent assessment account with the Association, that Unit Owner cannot be elected as a director. If at any time a director becomes delinquent on paying assessments, the director is required to resign from his board position (and any officer position held) unless he brings his account current within ten (10) days' notice from the Board. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

SECTION 3. Election and Term of Office. Directors shall be elected for three (3) year terms and shall hold office until their successors have been elected and hold their first meeting. Directors' terms shall be staggered such that at least 1/3 of the directors' terms shall expire each year.

SECTION 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by the unanimous

vote of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

SECTION 5. Removal of Directors. At any regular or special owners' meeting duly called, any one or more of the Directors elected by the owners may be removed with or without cause by a Majority Vote of the owners and a successor may then and there be elected to fill the vacancy created.

SECTION 6. Compensation. No compensation shall be paid to any member of the Board of Directors at any time except by affirmative vote of a majority of the unit owners at a meeting called for such purpose.

SECTION 7. Fidelity Bonds. The Board of Directors for the Association shall require that all officers and employees handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid for by the Association of Unit Owners protected by such bonds and charged to the Unit Owners in such condominium project.

SECTION 8. Regular Meeting. The Regular annual meeting of the Board of Directors shall be held without other notice than this By-Law immediately after the annual meeting of the membership and each adjourned meeting thereof and at such other time and place as shall be determined, from time to time, by a majority of the Board of Directors. Notice of other regular meetings of the Board of Directors shall be given in the manner provided for in Article V, Section 5. Meetings of the Board of Directors may be held in person, or by video or phone conference.

SECTION 9. Special Meetings. Special meetings of the Board of Directors may be called by the President or a member of the Board of Directors. Notice of special meetings shall be given in the manner provided for in Article V, Section 3, of these By-Laws.

SECTION 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of the meeting and such waiver shall be deemed equivalent to the giving of such notice.

SECTION 11. Informal Action without Meeting. Any action required or permitted by the Articles of Incorporation or By-Laws to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be provided by all of the directors then in office.

SECTION 12. Quorum. At all meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If any meeting of the Board of Directors cannot be organized because of lack of a quorum, the majority of those present may adjourn the meeting from time to time but not less than forty-eight (48) hours from the time the original meeting was called. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 13. Management of Condominium. The Board of Directors may engage the services of a manager or managing agent, and at the discretion of the Board of Directors, any officer duty set forth in these Bylaws may be delegated to the manager or managing agent.

ARTICLE VII

OFFICERS

SECTION 1. Designation. 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 of Directors.

SECTION 2. Election of Officers. Except as provided in Section 3, the officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. Each officer shall hold office until a successor has been duly elected.

SECTION 3. Removal. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the membership and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of the Association.

SECTION 5. Vice-President. The Vice-President shall perform the duties of the President in the absence of the President or in the event of the President's inability to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the President or the Board of Directors.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of the books and papers of the Association and shall, in general, perform all of the duties incident to the office of the Secretary.

SECTION 7. Treasurer. The Treasurer shall have responsibility for the Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the books of the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

SECTION 8. Vacancies. In the event that any office of the Association shall become vacant by reason of death, resignation, removal, disqualification or otherwise, the same shall be filled by the Board of Directors for the unexpired portion of the term.

SECTION 9. Compensation. No compensation shall be paid to any officer of the Association except by the affirmative vote of the membership at a meeting called for such purpose.

ARTICLE VIII

OPERATION, MAINTENANCE AND REPAIR OF PROPERTY

SECTION 1. Budget. The Board of Directors shall from time to time but at least once each year not later than December 15, adopt a budget for the operation of the Association. The budget shall contain estimates of the cost of operating the Association and shall include all common charges payable by the members to meet the common expenses of the Association for the ensuing year. The common expenses shall relate to the common areas and the limited common areas and shall include, but shall not be limited to, taxes, the maintenance and repair of exterior walls, roofs, pipes, ducts, service and utility areas, parking areas, and the other common areas; the cost of insurance; the cost of management; administration costs and any other expense items inuring to the benefit of all unit owners, including, if necessary, such sums as may be required for improvements, capital expenditures or other operations not included in the above.

SECTION 2. Assessment. The estimate of the charges to be paid during the ensuing year by each unit owner for his share of the common expenses shall be assessed against each unit according to the respective percentages of ownership in the general common areas, as set forth in the Declaration of Condominium. The assessment shall be made and paid at such times as provided for by resolution of the Board of Directors. The assessment shall be as further stated in Paragraph 10B of the Declaration of Condominium.

SECTION 3. Default. In the event that a member of the Association is in default in the payment of any charge or assessment for a period of more than thirty (30) days after such assessment or charge is due, it shall constitute a lien on the unit and the lien shall be signed by an officer or agent and may be filed in the Office of the Clerk of the Circuit Court of Waukesha County. Such assessment shall bear interest at the highest rate provided by law and if no law, then eighteen (18%) percent per annum, as well as any late fees set by the Rules and Regulations, and such failure to make payments shall constitute a default hereunder and the Board of Directors shall take all measures allowed by law to enforce the collection of the unpaid installments. All expenses of such action including attorney fees, shall be the obligation of the defaulting member.

SECTION 4. Depositories. The funds of the Association shall be deposited in a bank or banks or other depositories as from time to time may be designated by the Board of Directors and shall be withdrawn therefrom only upon check or order signed by the officers or directors who shall be from time to time designated by the Board of Directors for that purpose.

ARTICLE IX

OBLIGATIONS AND DUTIES OF OWNERS

SECTION 1. Use of Common Areas. No boats, trailers, snowmobiles, recreational vehicles, or trucks larger than a ¾-ton pickup shall be parked in the common areas. No temporary or permanent obstacles shall be erected or placed in this area. No sign of any kind shall be

displayed to the public without the prior written consent of the Association, except as set forth by law. Grilling shall be allowed only in areas designated by the Board of Directors.

SECTION 2. Maintenance and Repair. Every unit owner must promptly and properly perform all maintenance and repair work within his own unit and within his limited common areas appurtenant to his unit and is expressly responsible for the damages and liabilities that may result from his failure to do so. Each unit owner shall reimburse the Association for any expenditures incurred in repairing or replacing any general common area or limited common area in any manner damaged by the unit owner or any occupant, guest or other invitee of his unit. No unit owner shall make any alteration that shall weaken or tend to weaken the structure of his unit, the building or any adjoining unit.

SECTION 3. Right of Entry. Each unit owner grants the right of entry to his unit to any person authorized by the Board of Directors of the Association in the event of an emergency whether the owner is present at the time or not. Each unit owner shall permit repair personnel or other personnel authorized by the Board of Directors to enter his unit for the purpose of performing installations, alterations or repairs, provided that requests for entry are made in advance, and that such entry is at a time convenient to the owner, except in the event of an emergency, in which case entry shall be immediately. Emergency shall mean any situation which may adversely affect the health, safety or welfare of building occupants or potential damage to structure of the building.

SECTION 4. Animals. No unit owner shall house any animal.

SECTION 5. Additional Rules and Regulations. The Board of Directors may from time to time adopt any additional reasonable rules and regulations and they shall be binding upon the unit owners. Copies of such rules shall be distributed to the unit owners. Any violation of the rules and regulations shall constitute a violation of the Declaration and violators shall be subject to penalty.

ARTICLE X

PENALTIES FOR VIOLATION

The Board of Directors for the Association of unit owners may prescribe fines and penalties for failure of the condominium owners or residents to comply with the Declaration of Condominium, By-Laws, or rules and regulations which may be promulgated by the Board of Directors. Such fines and penalties shall also become a lien on the unit, the same as an assessment and a personal obligation of the unit owner or owners, jointly and severally, and shall bear interest at the rate of eighteen (18%) percent per annum until paid. Enforcement may be by action at law or by an action to foreclose the lien, and violations may be enjoined. All judgments and actions involving enforcement shall provide for actual attorney fees.

ARTICLE XI

AMENDMENTS

SECTION 1. By-Laws. These By-Laws shall not be amended to contradict the Declaration of Condominium. These By-Laws may be amended by affirmative vote of not less than sixty-seven (67%) percent of the members of the Association.

ARTICLE XII

MISCELLANEOUS

SECTION 1. Indemnification of Directors and Officers. Every past or present Director or officer of the Association, his heirs and personal representatives, shall be indemnified by the Association for any loss or damage incurred by or imposed upon his as a result of having been or presently being an officer or Director of the Association except as to matters arising from his willful misconduct. The cost incurred by the Association for such indemnification shall be considered a common expense of the Association.

SECTION 2. Subordination. In the event of a conflict between the terms of these By-Laws and the Declaration and any amendments thereto and the Unit Ownership Act, these By-Laws shall be subordinate to the Declaration and Unit Ownership Act, which terms shall be controlling.

SECTION 3. Terraces Management Authority. The title "Management Authority" shall operate as provided in 10G of the Declaration of Condominium and shall be appointed by the Board of Directors as provided therein, and subject to the direction of the Board of Directors shall be in charge of leasing and management and shall be paid as determined by the Board of Directors. The Board of Directors shall make such rules and regulations, not inconsistent, with the Declaration of Condominium for the said Authority, and the office of the said Authority shall be 319 Cheviot Chase, Waukesha, Wisconsin.

SECTION 4. 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.

ARTICLE XIII

DEFINITIONS

Where the word "corporation" is used in these By-Laws, it shall mean "Association" and where the word "Association" is used in these By-Laws it shall mean "corporation" and both shall refer to the Association of Unit Owners of the Terraces of Morningside Hills Condominium, Inc.

THE FOREGOING were adopted as the By-Laws of the TERRACES OF MORNINGSIDE HILLS CONDOMINIUM, INC.

These Amended and Restated Bylaws were duly adopted on December 15, 2021.

The Terraces of Morningside Hills Condominium, Inc.
Information, Rules, Regulations, and Procedures

Consolidated and reformatted without content change – June 28, 2023[1]

I. General Information
II. Occupancy
III. Leasing or Rental of Condominium Unit
IV. Windows, Patio Doors, Front Doors, and Garage Doors
    IVA. Rules for Replacement
    IVB. Window Specifications
    IVC. Front Door Specifications
    IVD. Patio Door Specifications
    IVE. Garage Door Specifications
V. Air Conditioners
    VA. Through-the-Wall Air Conditioners
    VB. Portable Air Conditioners
VI. Water Heaters
VII. Rules and Regulations for Common and Limited Common Areas
    VIIA. Tennis Court
    VIB. Swimming Pool
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    VIIIA. Parking
    VIIIB. Storage
    VIIIC. Patio and Balcony
    VIIID. Displaying Flags or Political Signs
    VIIIE. Pets
    VIIIF. Therapy Animals
    VIIIG. Trash Removal and Recycling
    VIIIH. Definitions
IV. Explanation of Notice and Right to Cure and Schedule of Fees
    IVA. Schedule of Fees

I. General Information

Declarant has sold all units and the condominium complex has an association of unit owners (referred to as Association). Right of first refusal was deleted by Amendment to Declaration in 1987.

[1] No changes were made from originating documents: Rules and Regulations Updated June 2022, Trash Rules May 2021, Pool Rules undated – taken from website 6/19/2023, and Explanation of Notice and Right to Cure and Schedule of Fees (updated June 2022). This re-formatted consolidation uses only the original wording with an added index and Roman Numeral Outline identifiers. Issued June 28, 2023.

- Association comprises 126 units in 21 multi-family buildings (6 units in each building).
- Units are for residential use only. Use for trade or business is not permitted.
- Units may not be subdivided.
- A room(s) within a unit may not be rented or used to accommodate transient tenants.

Each two-story, all electric building consists of:

- Two two-bedroom lower units with adjoining private patio • Four one-bedroom upper units with adjoining private balcony
- Six attached garages; one per unit.
- Six assigned outdoor parking spaces; one per unit, assigned by unit number.
- Six enclosed storage lockers in basement; one per unit, assigned by unit number.

II. Occupancy

- Two-bedroom units are limited to a maximum of four occupants and no more than two unrelated persons.
- One-bedroom units are limited to a maximum of two occupants.

III. Leasing or Rental of Condominium Unit

Federal Housing Administration (FHA) financing regulations prohibit the Association from allowing more than 10% of the units being rented.

Any owner desiring to rent or lease their unit must notify the Board of their intent. Board approval is required prior to leasing a unit. Owners who lease or rent their unit(s) are delegated the obligations of the Board as set out in the Declaration of Condominium. The owner is fully responsible for obligations of the unit owner and all actions of their tenant(s).

Before the Board will approve a lease or rental, the owner must provide:

- Date the unit will be available
- Duration of the lease
- Credit and background check

Upon the Board's approval of a lease or rental agreement, the owner must:

- Provide the Association Rules to the tenant.
- Provide a copy of the lease or rental agreement to the property manager.
- Notify the property manager of the name(s) of the tenant(s) and all other requested information regarding the occupant by completing the Welcome Packet Information Form(s) and returning it with the first month's condominium fee.

- Notify the property manager of changes in occupancy, including information about the tenant(s), their contact information, and an updated copy of the lease.

Tenants are expected to follow condo rules. If a tenant does not comply with the rules, the owner will be assessed the applicable fine(s).

Failure to comply with these rules is a violation of condominium rules and will result in a fine as determined by the Board.

IV. Windows, Patio Doors, Front Doors, and Garage Doors

IVA. Rules for Replacement

Replacement costs for all windows, doors, doorbell, and intercom system (if applicable) are the responsibility of unit owner. Owner must secure Board approval prior to ordering the replacement product(s). Board approval is required for each window or door the owner plans to replace. The request must include:

- Name of manufacturer
- Name and phone number of installation company

The Board reserves the right to request a color chip before approving the outside color of window or door. Color specifications for the garage door must be provided by the Board.

Any window(s) or door(s) replaced without prior Board approval must be replaced within three months with a Board approved item.

The Board may impose fines for any of the above violations at its discretion and in amounts in its discretion.

IVB. Window Specifications

- Windows must be vinyl or aluminum.
- All windows must be sliding panels. Small windows must be two-panels; large windows may be two-panel or three-panel.
- Trim style is a 2 ½" profile.
- Screens may be full or half options.
- Tilt-out sashes are acceptable.
- Owners can select the manufacturer of their choice.

IVC. Front Door Specifications

- Front door dimensions are 3' x 6' x 8' made of steel.
- Nine panel doors are acceptable.

- Front doors on upper units may have a window. Front doors on lower units include a sidelight that is a direct set, insulated glass panel.
- Owners can opt to have a peep hole.
- Owners can select the hardware of their choice.
- Owners can select the manufacturer of their choice.

IVD. Patio Door Specifications

- Patio door must be a vinyl or aluminum sliding door.
- Trim style is a 2 ½" profile.
- Owners can select the hardware of their choice.
- Owners can select the manufacturer of their choice.

IVE. Garage Door Specifications

- Doors must be a four-panel, flush door.
- Doors may not have windows or decorative design. Doors may have a handle but are not required to.
- Doors must be painted to color specified by the Board.

V. Air Conditioners

VA. Through-the-Wall Air Conditioners

- The air conditioner sleeves are permanently installed and cannot be removed or replaced. Most manufacturers sell mechanisms to adapt smaller units to the existing sleeve.
- Window air conditioners are not allowed; the air conditioner must be a through-the-wall model.
- Owner can select the manufacturer and model of their choice.

VB. Portable Air Conditioners

- In-window model air conditioners cannot be installed.
- Portable air conditioners may be used in bedrooms. Portable air conditioners allow the unit to remain in the room and exhaust through a vent(s) mounted in the window.
- Venting installation must not protrude outward from the window frame. The window screen cannot be modified to accommodate the vent.
- Owner can select the manufacturer and model of their choice.

VI. Water Heaters

Owners are responsible for maintaining the unit's water heater and cost of replacement. Water heaters must be replaced by a licensed plumber. The City of Waukesha requires a

permit prior to replacing a water heater. Owners must confirm who will be obtaining the permit (the plumber or the owner).

VII. Rules and Regulations for Common and Limited Common Areas

VIIA. Tennis Court

Use of tennis courts is subject to posted rules, without any additional fee.

VIIB. Swimming Pool

Swimming pool is generally opened Memorial Day weekend through Labor Day weekend. Opening or closing of the pool may be extended if weather permits.

Use of the swimming pool is subject to posted rules, without additional fee. Additional rules include:

- Each unit is allowed one key. Key is transferred from seller to buyer when ownership changes.
- Residents may use umbrellas provided by the association. Anyone who uses an umbrella must close the umbrella before leaving the pool area to prevent damage to the furniture and pool area.
- The pool is open daily from 8:00 am – dusk during the season. Using the pool after hours will result in a fine and surrender of pool key.
- An owner's key is required to enter and exit the pool area. The pool is private and for use by residents of the Terraces of Morningside Hills Condominium. All guests must be always accompanied by a resident.
- There is no lifeguard on duty; swimming is at own risk.
- Swimmers must shower before entering the pool.
- Running, rough play, and diving are prohibited.
- Residents are responsible for their guest's behavior.
- Children under age 16 must be accompanied by an adult resident.
- Small toys and pool noodles are allowed if they do not interfere with others. Rafts and oversize floats are not permitted in the pool.
- Non-alcoholic beverages in plastic containers are allowed in the pool area. Please keep containers off the pool deck.
- Food, alcoholic beverages, gum, and tobacco are not allowed within the fenced area of the pool.
- An adult must be in the water with children who are unable to swim.

- Children who are not toilet trained must wear Little Swimmer type garments under their swimwear.
- Persons with open cuts or sores are not permitted in the pool.
- Umbrellas must be closed before leaving the pool area to avoid wind damage to the umbrellas and tables.

- See Fee Schedule for additional information.

VIII. General Rules and Regulations

- Residents cannot paint, decorate, or alter the appearance of any portion of the property outside of the unit. Residents must not attach anything to the face of the building or the mailbox.
- Residents must not remove or replace outdoor light fixtures.
- Residents may not, for any extended period, turn off any circuit breaker in their unit that provides electricity to the basement.
- Garage doors must remain closed overnight.
- Residents must limit noise between 10:00 pm and 7:30 am by lowering the volume on radios or televisions, not using washing machines, dryers, dishwashers, vacuum machines, etc.
- Seasonal decorations are permitted on patios and balconies and wreaths may be placed on front door. All seasonal items must be removed at end of intended season.
- Door mats are allowed at the front door between April 1st and October 31st. They are prohibited during the winter months as they interfere with snow removal.
- Grilling is permitted on grounds. Grills cannot be used on patios or balconies, under building overhangs, or within less than 10 feet of any structure.
- Except for birdfeeders, residents are prohibited from feeding or attracting wild animals in accordance with Wisconsin statute NR 19.60(1)(a).

VIIIA. Parking

- Units are limited to two onsite parking spaces, the attached garage and one lot space.
- Parking spaces cannot be transferred to another unit.
- All vehicles parked in lot spaces must be licensed and operable.
- Vehicles must be moved from outdoor parking spaces within 24 hours of snowstorm so the spaces can be plowed.
- A limited number of visitor's parking spaces (marked Visitor) are available for guest use only. Residents may not use visitor spaces.
- Residents cannot park boats, recreational vehicles, trailers, snowmobiles, commercial vehicles, or trucks larger than ¾ ton in parking lots.

- Residents may not wash vehicles in common or limited common areas.
- Skateboarding and rollerblading are not permitted on the grounds, including driveways and parking lots.

VIIIB. Storage

- Basements are not humidity controlled; association is not responsible for loss of items or damage of items placed in storage area. This includes, but is not limited to, damage or loss due to theft, mildew, mold.
- Storing cloth items (for example, upholstered furniture, mattresses, etc.) is not permitted in basement storage unit.
- Basement area cannot be used in a way that interferes with another owner's use. For example, basements cannot be used for workroom, exercise, crafts, etc.
- Any item not contained in a designated storage space may be disposed of without formal notice.

VIIIC. Patio and Balcony

- Awnings, enclosures, or other coverings are not permitted on patios or balconies.
- Residents cannot use balconies or patios for storage. Heavy objects (for example, heavy furniture) must be removed from balconies and patios November 1st through April 1st.
- Patios and balconies cannot be used to dry or air laundry, carpets, rugs, towels, or clothing.
- Grilling on balconies or patios is prohibited.
- No heavy objects may be attached to balcony railings.
- Residents may have a bird feeder on their patio or balcony. One bird feeder is permitted per unit.
- Wind chimes are permitted if they do not disturb neighbors. One wind chime is permitted per unit.

VIIID. Displaying Flags or Political Signs

Flagpole brackets or other attachments to the face of the building, balcony railings, or mailbox are prohibited. Small flags in an in-ground flag holder or similar container (for example, a flowerpot) is allowed.

Placement of political signs is limited to one window only within an individual unit. Signs are not allowed in patio doors. Signs must be placed on the inside of the window and must be removed immediately after election day. Signs may not be placed outside a unit.

VIIIE. Pets

The association is a no pet complex. An owner may not lease a unit allowing the tenant to have an animal. Residents are not permitted to house animals. Exceptions include:

- Residents who had a pet prior to February 1, 2005, are all owed to keep that pet(s) until the resident moves or the pet dies.
- Residents with an approved variance for a therapy animal.

VIIIF. Therapy Animals

In accordance with the Americans with Disabilities Act, the Terraces of Morningside Hills Condominium Association may allow a temporary variance of the condo association bylaws and deed restrictions. The temporary variance is granted to the present resident only and is nontransferrable. A temporary variance requires:

- The pet must be registered with the City of Waukesha.
- A letter from a medical professional, licensed in Wisconsin, verifying the need for a pet.
- A signed declaration agreeing to comply with the rules for housing a therapy animal.
- A picture of the animal, the verification letter, and signed declaration must be filed with the property manager.

Therapy animals must be on a leash and accompanied by the owner when outside the unit. The animal may not be outside unattended. Residents must clean up after their animal immediately. Excessive noise disturbing other owners is strictly prohibited.

When transferring ownership of the unit, pet owners are responsible for ensuring the subflooring is not damaged because of having an animal. Cleaning the carpeting is not sufficient. The owner is required to inform their real estate agent that this is a no pet complex and that they must convey that information to prospective buyers.

Animal owner is required to arrange off-site care for somewhere other than in the complex when away from the unit for more than one day. It is against association rules and bylaws for other owners to pet sit.

VIIIG. Trash Removal and Recycling

Association dues include trash removal through a contracted vendor. Residents are required to use the container provided by vendor for trash pick-up. The

City of Waukesha provides recycling pick-up. Recycling containers are regulated by the city.

Trash and recycling containers cannot be stored outside; it is recommended that containers be stored in the residents' garage. Residents may move containers outside starting at 6:00 pm the night before pick-up. Containers are to be placed near the mailboxes. Containers must be stored back in the garage by 10:00 pm on pick-up day. Contact the property manager for current pick-up schedule

VIIIH. Definitions

Resident: any individual whose primary residence is the Terraces of the Morningside Hills

Adult: any resident (and/or guest) over age 18

Child: anyone under the age of 16

IX. Explanation of Notice and Right to Cure and Schedule of Fees

Unless otherwise indicated in the Schedule of Fees, owner must be provided a 10-day notice to cure any violation of the condominium documents or condominium rules. The owner must show that they promptly, upon receipt of the notice, took all reasonable steps to promptly cure the violation.

Notices must be provided in writing and may be sent by email or by U.S. mail. Notices sent through email are deemed received on the date the email is sent. Notices sent by U.S. mail are deemed received five days after mailing. Notices given to an owner's representative is considered notice to the owner.

Any collection costs, attorney's fees, and other expenses incurred by the association will be charged to the owner. All outstanding, unpaid fees and related charges will result in liens against the unit involved. All outstanding fees, late charges, fines, and related charges and collection expenses must be paid in full at the time of any transfer of the property. Association will not sign off its rights unless the unit owner is current in all financial matters.

Pool privileges are revoked for any resident when there are any outstanding assessments, late charges, or fines. Resident must return key to Board president.

IXA. Schedule of Fees

Type	Description	Payor	Amount
Association Fees[2]	Monthly fee, due on the first of each month, to pay for services provided by the association.	Owner	$280.00[3]
Association Fee Late Payment Fee, Month Due	Late fee charged for association fees not received by the 5th day of the month (regardless of the date of payment).	Owner	$75.00
Association Fees Late Payment Fine, Past Month Due	Fine assessed when association fees are not paid in the month due. Fine is charged for each month (or part of month) association dues are not paid in the month due.	Owner	$100.00
Association Fees, Late Payment Fine, Repeat Offense within same 12month period	Fine assessed when association fees are paid late two or more times in any 12-month period will Fine is charged for each month (or part of month) that the association fees are unpaid.	Owner	$150.00
Transfer Fee	One-time fee for transferring ownership of unit.	Owner	$150.00
Capital Improvement Fund Contribution	One-time contribution to the Capital Improvement Fund; fee is paid upon transfer of title at the time of transfer.	Buyer	$560.00 [4]

[2] Pool privileges are revoked for any owner whose association fees are not paid within the month they came due. The owner must return their pool key to the Board president. Pool privileges are revoked for the owner, occupant, and guest until all association fees and associated fines are paid in full.

[3] This Fee amount is in effect as of August 1, 2023, increase of $35.00 from $245.00.

[4] This Fee amount is in effect as of August 1, 2023, an increase of $35.00 from $245.00.

Non-Sufficient Funds (NSF) Fee	One-time fee when payment is rejected for insufficient funds. Fee is assessed for each rejected transaction. Note: payor is also responsible for associated bank charge(s).	Owner	$50.00
Damage or Unauthorized Alterations to Common Areas or Limited Common Areas	Fee assessed by the Board based on each individual circumstance.	Owner	Varies
Pool Key Replacement	One-time fee for replacing owner's key to the pool area. Assessed each time the key is replaced.	Owner	$50.00
Special Assessment Fee	Special assessments are due on the date indicated in the Notice of Special Assessment.	Owner	Varies
Special Assessment Late Payment Fee	Any special assessment payment not received within 10 days of the due date will be charged a ~~$50.00~~ $100.00 late charge. An additional late charge of ~~$50.00~~ $100.00 per month (or part of a month) will be imposed until the assessment is paid in full.	Owner	$100.00
Violation of No Pet Policy	Daily fee for failing to remove animal in timely manner after notice. Fee is assessed from the date of notice and continues until the animal is removed.	Owner	$25.00[5]

[5] Notice will be given when any animal(s), including bird(s), is reported to be in a unit. The animal must be removed within five (5) days. Owner is required to provide a signed statement stating that the animal(s) has been removed. The Board reserves the right to take whatever means necessary to remove animal(s).

Violation of Association Documents or Rules (first 30 days)	Daily fee for failing to cure violation within ten (10) day notice period. Fee is assessed from the date the notice is received and continues until the violation is cured, up to 30 days.	Owner	$25.00
Violation of Association Documents or Rules (31st day and beyond)	Daily fee for failing to cure violation within 30 days from the date the notice is received. This is in addition to fees incurred in first 30 days.	Owner	$50.00
Violation of Trash and Recycling Rules, First Violation	Warning letter	Owner	$0.00
Violation of Trash and Recycling Rules, Second Violation	Fine for second violation of trash and recycling rules.	Resident	$25.00
Violation of Trash and Recycling Rules, Third Violation	Fine for third violation of trash and recycling rules.	Resident	$50.00
Violation of Trash and Recycling Rules, Subsequent Violations	Per event fine for each subsequent violation of trash and recycling rules. The Board of Directors may prescribe additional remedies.	Resident	$75.00
Violation of Swimming Pool Rule, First Violation	Written warning of specific rule violation is given to the resident.	Not applicable	$0.00
Violation of Swimming Pool Rule, Second Violation	Fee is assessed for second violation of like incident.	Owner or resident	$75.00

Violation of Swimming Pool Rule, Third Violation	A third violation of like incident results in revocation of pool privileges for resident for remainder of the season. The pool key must be returned to the Board president. Revocation may continue to the next season, at the Board's discretion.	Owner or resident	$100.00
After Hours Pool Use Fine	Assessed anytime resident uses the pool after posted hours.	Owner or resident	$50.00
Fine for Failing to Surrender Pool Key after Revocation of Privileges	Fine assessed for failing to surrender a pool key within five days of revoking privileges, charged daily from the date of the request for the key.	Owner	$25.00
Fine for Using Pool after Revocation of Privileges (for any reason)	Fine assessed for using the swimming pool after privileges were revoked. Fine is charged for each occurrence.	Owner	$100.00

TMH Condominium Association – Service/Therapy Animal Agreement[1]

In accordance with the Americans With Disabilities Act, the Terraces of Morningside Hills Condominium Association recognizes your right to have a service/therapy animal in our No Pet policy complex. This is considered a temporary variance of the condo association bylaws and deed restrictions granted only to the present resident. As a No Pet complex, we do have the right to protect common property and the value of our complex, and have established the following reasonable conditions and expectations:

1) The Service/Therapy Animal must be registered with the City of Waukesha.
2) A physician/psychologists' letter from a medical professional, licensed in Wisconsin, must be on file in the office with a reasonable explanation verifying the need for a pet.
3) When transferring ownership of the unit, pet owners are responsible for ensuring the subflooring is not damaged because of having an animal. Cleaning the carpeting is not sufficient. The owner is required to inform their real estate agent that this is a no pet complex and that they must convey that information to prospective buyers.
4) An annually updated picture of the pet, the verification letter, and signed declaration must be on file with the property manager.
5) For the safety and comfort of other owners, pets will remain inside the unit at all times, unless they are on a leash and accompanied by the owner. They may not be tied up outside unattended. Owners are expected to clean up after their pets immediately.
6) If an owner is away from home for more than one day, pets are to be housed somewhere other than in the complex. As we have a no pet complex, it is against association rules and bylaws for other owners to pet sit.
7) An owner may not lease a unit and allow the tenant to have a pet.

When selling your unit, it is your duty to inform your realtor that this is a No Pet complex and they MUST relay that information to prospective buyers. This temporary variance of deed restrictions DOES NOT convey with the property.

I have read the above conditions, and respecting the rights of other owners, I agree to abide by them as long as I have a service/therapy animal on the Terraces of Morningside Hills property.

Owner _____ Unit _____
Please Print

Owner Signature _____ Date _____

[1] Reformatted from previous version of the Service/Therapy Pet Agreement with updated wording from the June 2022 Rules and Regulations. Issued June 28, 2023.