Knickerbocker on the Lake Condominium Association, Inc.

Rules and Regulations

Binding

Owners, Residents, Dependents, Guests, and Invitees

Disclaimer: Captions and section headings herein are inserted only as matters of convenience and for reference and shall neither define nor limit the scope or intent of the various provisions hereof.

In order to promote the welfare and economic investment of the members of the Knickerbocker on the Lake Condominium Association, Inc., and to establish and maintain the common areas of the Association in a uniform manner, the following Rules and Regulations are promulgated and adopted pursuant to the provisions of Article VIII, Section 4, of the Amended and Restated Declaration.

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Revised July 2026

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Section I – Introduction

The community lifestyle associated with condominium ownership is unique, and in such a community it is imperative that a harmonious atmosphere is achieved and preserved. It is important that the rights of owners are recognized and protected. However, actions taken by governing and managing bodies are taken in the best interest of the Association as a whole.

The following Rules and Regulations were formulated for the purpose of governing the day-to-day use of the common areas and certain activities of owners, residents and visitors. They were prepared using the best judgment of the Board of Directors and are based on Wisconsin Condominium law and the Declaration and Bylaws of Knickerbocker on the Lake, a Condominium. These Rules and Regulations may be amended by a vote of not fewer than six of the members of the Board of Directors.

> Please be advised that owners, residents, dependents, guests, invitees and any other individuals using or coming on the property known as Knickerbocker on the Lake, a Condominium, are subject to the Declaration and Bylaws of Knickerbocker on the Lake, a Condominium, and the Rules and Regulations of Knickerbocker on the Lake Condominium Association, Inc.

These Rules and Regulations are our Rules and Regulations, and all of us share the responsibility of enforcing them. Please review them carefully and thoroughly.

Inasmuch as no set of rules and regulations can address every conceivable situation, it is expected that these Rules and Regulations will, from time to time, be amended. Suggestions and constructive criticism are welcome.

Unit owners must take responsibility to ensure the Knickerbocker's harmonious atmosphere. In keeping with this, observed violations of any city, county or state ordinance/statute are to be reported to the Milwaukee Police Department immediately. Management should be alerted **only** after the police have been called. Violations of the Knickerbocker's Rules and Regulations, Bylaws or Declaration, on the other hand, are to be reported only to the General Manager of Knickerbocker on the Lake Condominium Association, Inc.

Section II – Rules and Regulations

A. Rules and Regulations Concerning Units

Smoke Alarms: Wisconsin law requires every home and residential building to be protected by smoke alarms. The Association will install and maintain all smoke alarms in the common areas of the building. Owners are required to maintain working smoke alarm(s) in their unit and tenants shall not disarm the alarm(s) and must inform the owner of any smoke alarm problems. Per city ordinance, every owner shall be required to ensure that any smoke alarm located within twenty (20) feet of the primary cooking appliance within each dwelling unit has a silencing switch (hush button).

Steam Valves: Every unit shall have fully functional steam shut-off valves.

Stoves: Unit owners shall be prohibited from installing electric stoves or pilot-light stoves in the units. Owners with existing electric stoves shall be permitted to keep their electric stoves in their unit but cannot replace the stove with another electric stove. Owners shall be permitted to install only electronic-ignition gas stoves or battery-ignition gas stoves in the units.

All existing standing pilot-light stoves must be removed from the units on or prior to January 1, 2020.

Window Air Conditioners: Window air conditioning units are permitted, provided that they are not a distraction from the appearance of the building and are safely and securely installed. Air conditioning condensate may not drain onto any common or limited common area. Air conditioners are required to be removed in the winter. (Per Board action on or before November 1st)

Window Damage: Repair or replacement of damaged windows and screens must be initiated within ten (10) days of discovery or notice.

Window Replacement: Replacement windows must meet the following criteria:

> ***Material***: aluminum or vinyl; glass
> ***Color of window frame***: white
> ***Sash ratio***: on windows originally built as double-hung, replacements shall be double-hung; on windows originally built as oriel, replacement windows shall be oriel, matching the original ratio of top sash to bottom.
> ***Frame width***: not to exceed 1.5 inches

Other: both upper and lower sash will tilt inward for cleaning
Glass: clear thermopane, treated with low-E coating and filled with inert gas (argon or other). The exception to the clear glass rule is a bathroom window, which must have frosted glass.

Muntins: Mullions may be removed to create one window opening.
Mullions: Mullions are not to be removed or reconfigured. The exception to this is those paired dining room windows facing Juneau which have yet to be reconfigured into one window. Such windows must have mullion removed to create one window opening.
Screen: windows are to be fitted with a half-screen covering the lower sash.
Exterior window trim: Any exposed, exterior wood surfaces surrounding the window are to be covered in "Coastal Dune" aluminum trim to match the exterior stone sills. The Front Desk will have a sample available to match.
Installation: old windows are to be removed and new windows installed only by licensed and bonded contractors. Installation must conform to building code.

Unit owners who replaced their windows with those that do not meet the standards set by the above policy after policy adoption (March 21, 2002) must submit a plan of correction to the Architectural Control Committee within fourteen (14) days of receiving notice of not meeting standards via certified mail from Management. The Architectural Control Committee will review the plan of correction and contact the owner if any modifications need to be made. If the plan of correction is not completed, a fine will be applied to the Unit owner's assessment invoice. Fines will be applied to owners with replacement windows not meeting the window replacement policy, per the fine schedule in section VII of this document.

All wooden windows shall be replaced by October 1, 2010.

Window Use, Covering, and Maintenance:

a. No one shall be permitted to display, hang, or store any clothing, sheets, blankets, or other articles visible from the outside of the building.
b. Nor shall any sign, placards, banners, and the like be visible from any exterior window.
c. Windows located above the first floor that are covered shall be covered only by white or off-white backed drapes or by blinds or other window treatments which are white or off-white on the outside. Exterior window coverings on the first floor shall be subject to Architectural Control Committee approval.
d. Exterior window ledges are common areas, and as such are not to be altered, decorated or landscaped. They may be used to help support an air conditioner.

Garbage Disposals: No garbage disposal(s) shall be allowed in any unit within the Knickerbocker Condominium Association, except for commercial restaurant kitchens which may exist from time to time in Unit 100. All garbage disposals must be removed from a unit no later than July 1, 2014.

Owners who have their garbage disposal(s) removed by a qualified party and provide proof of same to the General Manager by May 1, 2014 shall receive a onetime credit on their monthly assessment of one hundred dollars ($100.00).

Minimum Unit Owner's Insurance: In accordance with Section 10.5 of the Declarations, all Unit Owner's shall have building property insurance coverage on their respective units of not less $25,000 (or Master Policy insurance deductible, whichever is higher).

Combination of Insurance: It is the policy of the Association, effective immediately, that the Board intends to provide all-in coverage under the master property damage policy. All-in coverage is defined to include all real property, fixtures, and appliances of the Condominium, regardless of ownership, but excluding personal property.

Insurance Deductible. In the event of any insured loss on the Association's master insurance policy, the Association's deductible shall be the responsibility of the person or entity (including the Association) who would be responsible for such damage under the Condominium Documents, in the absence of insurance. If the cause of loss originates within a Unit, the Unit Owner is responsible for the damage costs up to the Association's master insurance policy deductible. If the cause of the loss originates in more than one Unit or a Unit and the Common Elements, the responsibility for paying the Association's deductible shall be equitably apportioned by the Board in its sole discretion among the Unit(s) and/or Common Elements where the loss originated.

B. Rules and Regulations Concerning Pets

Permitted Pets: No animal, except a permitted pet (as herein defined) or a service animal, shall be allowed within the building. A permitted pet is defined as a single cat, a single caged bird, common small aquarium fish, or a dog that has been grandfathered in.

Owners of a unit, who at the time of the recording of the pet amendment to the Declaration (March 25, 1999) kept a dog in their unit, shall be permitted to keep that dog and to replace that dog when it dies, as long as the owner maintains continuous ownership of a unit within the building.

Unit owners or their guests are not permitted to bring dogs, except for dogs required for disability or other medically-approved purpose, into the building.

Pet Registration/Licensure: Every cat or dog owner in the building must register their pet with the Front Desk and provide a photo of the animal within five (5) days of the cat or dog moving in. Fines for each unregistered pet will be imposed according to the fine schedule in Section VII of this document.

All pet owners must show annual proof of licensure (photocopy of the license will be made at the Front Desk at no charge). Licenses for cats and dogs are obtained through the animal license section of the City Clerk's Office (or online). In order to obtain a license, a rabies vaccination certificate from a veterinarian must be submitted along with the license application. The Front Desk will keep a copy of the annual license for each cat and dog in the building as well as the photo of each animal.

Pets in Common Areas: When outside of the owner's unit, all pets must be on a leash (no more than six feet in length), in a cage or a carrying container, or else carried by the owner. The leash must be held by, or the animal carried by, an individual who is capable of controlling the animal.

Dogs are not allowed in the garden area, and dogs may be present in any other common area only for purposes of ingress and egress. By city ordinance, all droppings must be picked up and disposed of by the person in control of the animal.

Violations: Upon receipt of a complaint alleging a pet rule violation, the manager shall take appropriate action, in keeping with Sections V and VII.

C. Rules and Regulations Concerning Association Matters

Assessments: Each month's assessment (basic and utility) is due on the first day of that month. That assessment is billed on the 20th day of the previous month. Payment is considered delinquent if not paid on or before the tenth (10^{th}) day of the month. A $25.00 late fee is applied to the account for each delinquent assessment. Past due accounts are subject to Section VI of these Rules and Regulations.

Capital Reserve Contribution Fee: Each time ownership of a Unit is transferred from one party to another, in whole or in part, including by purchase, sale, foreclosure, tax foreclosure, land contract or the taking of a deed in lieu of foreclosure, the transferee of the Unit shall pay a capital reserve contribution fee to the Association in the amount of one and one-half percent (1.5%) of the greater of (1) the purchase price; or (2) the fair market value of the Unit (as determined by the Milwaukee County tax assessor) at the time of the transfer. The fee payment shall be non-refundable, shall be made to the Association at closing by the buyer (or in any event, concurrent with the transfer) and shall be deposited by the Association into the reserve fund. Notwithstanding anything herein to the contrary, transfers to the Association are exempt from paying the fee.

For purposes of this Rule, the Association recognizes Wisconsin marital property laws and acknowledges that marriage or divorce alone does not inherently constitute a transfer of ownership requiring payment of a Capital Reserve Contribution Fee.

The fee shall apply when a deed or other instrument transferring ownership of a Unit is recorded with the Milwaukee County Register of Deeds, and as otherwise determined appropriate by the Board of Directors based upon the substance of the ownership transfer transaction.

Further, Entity-Owned Units may be exempt from the Capital Reserve Contribution Fee for certain transfers as more fully set forth in the Entity-Owned Units rule.

Continuation of Privileges: Parking permits, reserved parking assignments, storage lockers, bicycle storage tags, and similar Association-issued privileges that are not deeded to or appurtenant to a Unit do not automatically transfer with conveyance of the Unit. However, when ownership of a Unit is transferred for estate planning, tax planning, family planning, marital planning, or similar purposes to or from a trust, LLC, corporation, partnership, estate, or other related ownership arrangement, the Unit Owner may retain such privileges, subject to Board approval, provided the transfer does not materially change beneficial ownership or control of the Unit.

This rule does not create a permanent property right, and such privileges remain subject to Association rules, availability, fees, revocation, reassignment, or termination.

This rule shall apply to otherwise qualifying transfers completed on or after November 16, 2021. [Passed July 21st, 2026]

Entity-Owned Units: All Units owned by a corporation, limited liability company, partnership, trust, or other legal entity or ownership arrangement shall disclose to the Board of Directors, on or before January 1 of each year and within thirty (30) days after any change, the identity and percentage interest, if applicable, of all persons or entities holding a direct or indirect ownership, membership, beneficial, voting, or control interest in the Unit-owning entity or ownership arrangement.

A Capital Reserve Contribution Fee and Conveyance Fee shall apply if the Board of Directors determines, based on the substance of any transaction or series of transactions, that: (1) fifty percent (50%) or more of such interests have transferred, whether in one transaction or cumulatively during any rolling ten-year period, regardless of the number of transferors or transferees and regardless of whether any one person acquires a majority interest; (2) control of the Unit-owning entity or ownership arrangement has changed; or (3) a transaction or series of transactions has the practical effect of transferring beneficial ownership or control of the Unit, regardless of whether a deed is recorded.

Once the applicable fee or fees are assessed under this Rule based on cumulative transfers, the cumulative transfer calculation shall reset as of the date of the triggering transfer. Failure to timely disclose any transfer, change, or transaction required to be disclosed under this Rule shall not prevent the Board of Directors from applying this Rule after the transfer, change, or transaction is discovered. If the Board of Directors determines that a Unit Owner failed to timely disclose such transfer, change, or transaction, the Board may assess an additional late-disclosure penalty in an amount up to one hundred percent (100%) of the applicable Capital Reserve Contribution Fee and Conveyance Fee, so that the total amount due may be up to twice the applicable fees, together with any interest, collection costs, and attorneys' fees permitted under the Condominium Documents and Wisconsin law.

Tenant Contact Information and Fee: Owners must notify the Association of the name(s) and telephone number of any tenant not placed through the hotel operation. The Association has developed and adopted a Form that all owners with independent rental arrangements must complete and return to the General Manager, prior to the letting of a lease.

An Owner who does not occupy his/her unit for more than one month must notify the Association of his/her forwarding address and telephone number.

Notice of Conveyance/Fee: See Section 11.5 of the Amended and Restated Bylaws for requirements of notice after unit sale. A $500.00 fee must be paid to the Association to process the change in unit ownership or interest.

Relationship with Employees: Unit Owners shall not tip or give gifts to any employee or agent of the Association or Management Company.

Harassment. Harassment from any owner or resident toward a board member or employee of the Association is prohibited. Harassment is defined to include, but is not limited to, threatening phone calls, emails, letters or public forum posts, use of profanity, and/or habitual threats. In addition, constant and repetitive contact with a board member(s) or the Association staff with no legitimate purpose in non-emergency situations shall be deemed harassment.

Upon determination by the Board of Directors that harassment has occurred, the offending owner shall be assessed a fine consistent with Section VII of these Rules and Regulations. Continual offenses will result in additional fines per occurrence.

D. Rules and Regulations Concerning Common Areas

Bicycles, Rollerblades, Skateboards: Bicycles may not be stored in the common areas other than in the room in the basement set aside for that purpose or temporarily in the outside bike rack. All bikes stored in the room in the basement must have an approved tag noting the owner and the unit. Bicycles, rollerblades, skateboards and the like are not allowed to be ridden in the lobby or other common areas.

Lobby Use: The lobby is the crown jewel of the Knickerbocker. It is a common area providing the principal route of ingress and egress for owners, tenants, guests and employees and clients of the commercial unit. In keeping with that purpose, any unapproved or obstructive activity is prohibited. No staff member or employee (including but not limited to those employed by commercial tenants) shall use the lobby area, including the Juneau Room, as a break room, lounge and or waiting area.

Signs, Decorations, Etc.: Owners of units above the first floor cannot paint, decorate, employ signage or otherwise alter the appearance of the common areas. The owner(s) of the first floor commercial unit may erect such permanent signs as may be reasonably necessary to advertise their business(es) or that of their tenants, subject to prior Board approval.

For Sale/Open House Signage: No individual owner shall be allowed to place a “For Sale” or “Open House” sign in the common areas. Any owner, and/or their agent(s), wishing to hold an open house shall notify the Front Desk in writing of the date and time of the intended open house. The Front Desk shall post a list of all such open houses in an appropriate location in the lobby and shall cause to be placed outside a single “Open House” sign.

Cleanliness/Smoking: No litter or other debris shall be allowed in the common areas, including but not limited to all entrances, hallways, the lobby and stairwells. Further, no smoking shall be allowed in any common areas, including the front entrance, lobby, hallways, stairwells, elevators, and basement areas. Smoking shall only be allowed in the designated area on the north side of the building.

Refuse Collection: Refuse collection is located on each floor above the first floor in the service elevator stairwell. All refuse/garbage must be placed in a container. If a there are no empty containers, residents/tenants are to notify the front desk immediately. All residents/tenants are expected to participate in and cooperate with the recycling program. Recycling containers shall be provided and appropriately labeled. Commercial refuse/garbage/recycling shall be limited to only those areas designated by the Board.

Commercial owners and/or their tenants shall maintain their refuse area in a neat and sanitary condition at all times.

Doors/Entrances: Entrances on the first floor, adjacent to lobby and other common areas, which lead into commercial areas and spaces, including hallways and closets, shall be the responsibility of the unit owner(s). These doors, hallways and closets shall be kept in good repair and shall be maintained in such a way as to ensure that the lobby area remains the crown jewel of the Knickerbocker. Valet services are limited to the front entrance and shall not obstruct the access to the entrance in anyway.

Unit Door: Unit doors shall be kept closed at all times other than when persons are entering or departing a unit. Unit doors shall be equipped with a mechanism that ensures the Unit door automatically closes and latches securely after being opened, without the need for manual closing. Unit doors shall be self-closing. The self-closing door must be adjusted and maintained in a manner that allows it to close smoothly and quietly without causing any loud slamming noise.

E. Rules and Regulations Concerning Activities

Hazardous Material Storage: Owners and their tenants must refrain from any action creating a hazard (see Declaration, 6.2[c]). In particular, storage of hazardous substances in units or limited common areas must adhere to all applicable federal, state, and local regulations.

Rummage Sales: Rummage sales (or other similar sales) are prohibited in all common areas and individual units.

Washers/Dryers: Automatic washers and dryers located within units will not be operated between the hours of 10:00 p.m. and 8:00 a.m. As an alternative, the laundry room located in the basement will be open at all times. All washers and dryers located within a unit must be professionally installed to ensure proper water, electrical, and/or gas hook up and venting. No dryer shall be vented into a common area air duct.

Moving/Delivery: All large items of furniture and appliances are to be moved to and from the building via the freight elevator. For assistance in using the freight elevator, contact the Front Desk. No commercial deliveries shall be allowed before eight (8) a.m.

or after three (3) p.m. Unit owners and or their tenants must notify the General Manager of all scheduled moves at the earliest opportunity but in no event less than forty eight hours prior to the move, except in an emergency situation. A one hundred dollar ($100.00) deposit shall be required at the time of notice. The owner and or tenant shall be reimbursed the deposit less any charges for clean up and or damages. This shall not waive any additional costs for damages and or cleaning that exceed the one hundred dollar deposit.

Terminated Employees: Upon termination of an employee, said employee shall not be allowed back onto the property.

F. Rules and Regulations Concerning Parking

The Knickerbocker on the Lake Condominium Association provides parking by paid permit to owners and to tenants of rental units. Permits are issued at the Front Desk, subject to these regulations:

1. General Regulations

a. A permit will be issued only for a vehicle that fits within the painted lines of a stall.
b. Owners and tenants will be issued a magnetic card for operating the gate and an identification tag for the vehicle. Parking is permitted only in marked stalls.
c. All cars parked in the lot must be identified with a tag attached to the back of the rear-view mirror.
d. Spaces in the lot will be allocated by considering the ratio of owner-occupied Units, hotel pool units, and commercial owner's unit in the building. For example, out of 68 parking spaces available at the time of adopting this document, owner-occupants and hotel unit owners have a maximum of 59 spaces available to them with the other 9 spaces available to the commercial owner. Unused parking spaces may be utilized by any category of owners if available. The ratio shall be adjusted annually upon adoption of the budget and implemented on January 1st of that budget year.

2. Unreserved Parking

a. Permits for unreserved parking in unnumbered stalls are issued at nightly, weekly, or monthly rates.
b. The holder of a permit for unreserved parking is charged for each day or week until the magnetic card and tag are turned in.
c. Although management closely monitors the number of permits issued, permits issued for unreserved parking may occasionally exceed the number of available stalls. In this case, unreserved parking is first-come, first-served.
d. If no stall is available to a nightly parker, a refund will be issued in exchange for surrendering the magnetic card and tag at the time that parking is denied.

3. Reserved Parking

a. A permit for reserved parking will be issued at a monthly reserved rate.
b. Reserved stalls will be assigned according to availability. If no stalls are available, a waiting list will be kept at the Front Desk and a stall will be assigned as soon as it becomes available. When placing a name on the waiting list, Front

Desk staff will note the date and time of the request.
c. If an unauthorized vehicle is parked in a reserved space, the owner of that vehicle will be subject to penalty (see sub-section 5 below).
c. A person already holding a permit for a reserved space who wants to request transfer to another reserved space should make application at the Front Desk. Such applications will be given priority over new ones.
e. Applicants have the right of refusal, that is, they may refuse a space and retain their name on the list.

4. Disabled Parking
A permit for disabled parking may be issued at a nightly, weekly, or monthly unreserved rate. When an owner or tenant applies for disabled parking, the official disabled permit must be presented at the Front Desk and displayed whenever the vehicle is parked in the lot.

5. Violations
A vehicle will be subject to ticketing by the City of Milwaukee when it is parked:

1. in the lot without a permit.
2. so as to obstruct other vehicles.
3. in a reserved stall without a numbered permit.
4. in the "no parking" stalls during the hours indicated on the signs.
5. in the loading zone when not actively engaged in loading and or unloading

6. Forfeiture of Parking:
Owners who are delinquent on their respective Association Assessments (including but not limited to fines, fees and other related charges) and who have had their unit referred to collections as provided for under Section VI – Collection Procedures in Cases of Delinquency on Assessments, shall have their parking privileges revoked. Only after having paid all delinquent accounts, owed to the Association, shall the owner be allowed to file a new request be placed on the parking waiting list.

G. Rules and Regulations Concerning Construction

Definition of Construction: For the purpose of this section, "construction" encompasses a wide range of activities. These include but are not limited to demolishing, replacing, remodeling, altering, repairing, painting, or modernizing flooring, framing, finishings, furnishings, plumbing, electrical systems, windows, heating elements, or any other installation, element, or structure in the Unit.

Contracts and Contractors: Any Unit Owner who hires a contractor shall have a signed contract and provide to the Association a copy of the signed contract between the Unit Owner and the contractor at least five business days prior to the commencement of construction along with a copy of the construction timeline, proof of insurance, $100.00 refundable damage deposit, and – if applicable – licensure.

Timeline: Unit Owners must submit a construction timeline to the General Manager at least five business days before construction begins. All details surrounding construction—including scope of work, who is performing work, debris removal plan,

any projected delays, and all other related information—must be included in the construction timeline and as needed thereafter. All construction must have a deadline for completion. This deadline must be reasonable and attainable.

Licensure/Insurance: All contractors shall provide proof of insurance to the General Manager at least five business days prior to beginning work. All contracted electrical and plumbing work must be performed by a licensed contractor. All electrical and plumbing contractors shall provide proof of licensure at least five business days prior to beginning work. Any contractor performing electrical or plumbing emergency construction must supply proof of licensure and proof of insurance within seven (7) days of beginning construction or have the completed construction inspected by a licensed and insured electrical or plumbing contractor.

Permitted Hours: Except in cases of emergency, work may not begin earlier than 8 a.m. and may continue no later than 7 p.m. without the permission of the General Manager. If the construction work being done is noisy or affects other Unit Owners or guests, the hours in which this work can be carried out may be limited even further at the discretion of the General Manager.

Workers: All construction workers must sign in and sign out at the Front Desk. Workers must use the freight elevator for transport of all equipment and construction materials. Smoking is not permitted in a Unit during construction.

Advance Notice of Work Affecting Others: Owners scheduling contractors for non-emergent construction must notify the General Manager at least at least five business days in advance of the start of such scheduled work. The Owner shall be required to make a deposit of one hundred dollars ($100.00) prior to the start of such work to cover the costs of additional cleaning and potential damage to the common areas. This deposit shall not in any way limit the liability of the Owner and or contractor. The Association must receive notice at least five business days in advance for construction or construction noise that could affect other Units, including, but not limited to plumbing and electrical work.

Common Areas/Carts: The hallway near the unit under construction must be vacuumed each day. Furniture, tools, and/or other items may not be left in the hall at the end of the day. Stairwells and other common areas shall not be used as workspaces or storage areas. Lobby luggage carts are not to be used for transporting construction/renovation materials. Use only the construction carts that are available in the basement.

Debris: No construction debris shall be left in, on, or around the common elements, including but not limited to trash containers in the northeast stairwell. All construction waste shall be taken off the property and may not be deposited in the Association dumpsters without express written approval from the General Manager. In the event the Association incurs a cost for construction and / or debris removal, the Unit Owner shall bear the responsibility for the full cost, plus a punitive assessment for an additional 50% of the full cost.

Section III – Enforcement

Violations of Law: Violations of any city, county or state ordinance/statute are to be reported to the Milwaukee Police Department immediately.

Violations of Knickerbocker on the Lake Rules and Regulations, Bylaws or Declaration: Violations are to be reported to the General Manager of the Knickerbocker on the Lake. Such violations are to be reported on the Violation Reporting Form available at the Front Desk.

Resolution of Knickerbocker Violation Report: Upon receipt of a complaint, the Association shall attempt to resolve the matter by:

- Notification of unit owner and/or tenant of a reported violation.
- If the violation continues after notification, or if another report of the same violation is received, a fine will be levied in accordance with Section VII, below. The person complained against shall be informed in writing of the conduct that is the subject of the complaint and of the levying of the fine on the violator's monthly statement per Section VII. The violator may appeal the violation within seven (7) days of receiving notice of the levying of fines in accordance with the Grievance Procedures.

Section IV – Grievance Procedures

A. Types of Grievances and Actions to be Taken

1. When an owner of a unit feels that another owner is in violation of the Declaration, Bylaws, or Rules and Regulations, such complaining owner shall report such violation to the General Manager (see Section III above). This reporting procedure is not a "grievance" per se.

2. When an owner of a unit opposes action or inaction on the part of management, such owner should first seek a meeting with the General Manager to discuss the action/inaction. This meeting should occur within ten (10) days of the action or inaction. If this meeting does not resolve the situation to the owner's satisfaction, such owner may file a written grievance with the Grievance Committee (see subsection B, below).

3. When an owner of a unit opposes action or inaction on the part of the Board of Directors, such owner shall initially ask to be placed on the agenda of the first available Board meeting to present his or her objections and to hear the response of the Board. If the owner still feels that the Board has acted improperly, such owner may file a written grievance with the Grievance Committee (see subsection B, below).

B. Procedure for Filing a Grievance

1. The grievant shall submit a letter to the Chairperson of the Grievance Committee outlining his or her objections to action or inaction on the part of management or the Board and a request for rectifying action.

2. The Chairperson shall set a meeting of the Grievance Committee to occur

within fifteen (15) days of the reception of the grievant's letter. Involved parties will receive no fewer than five (5) days' notice of such meeting.

C. Meetings of the Grievance Committee

1. Each meeting of the Grievance Committee called to adjudicate a grievance shall be divided into two sections: (a) the hearing, and (b) the determination and decision.

a. The hearing section shall be open only to the Committee, the parties involved, their witnesses, and counsel (if desired, and at party's own expense).

b. The determination and decision section of the meeting shall be closed to all except the Committee.

2. The decision will be rendered in writing to concerned parties within five (5) business days of the hearing. It will consist of three parts—statement of facts, summary of evidence received, and decision and resolution.

3. If the person making the grievance (or a designated spokesperson) fails to appear at the hearing without a valid excuse accepted by the Committee Chairperson, the grievance shall be dismissed without prejudice and reasonable and necessary costs incurred by the responding party assessed against the complaining party.

4. The burden of proof shall be on the grievant to prove the grievance by a preponderance of the evidence when there is a factual dispute.

D. Right of Appeal

1. Decisions of the Grievance Committee may be appealed to the Board of Directors either by the owner who filed the grievance (i.e., the grievant) or by the subject of the grievance. Decisions of the Grievance Committee not upholding Board action or inaction shall be automatically appealed.

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

3. Any appeal shall be heard by the Board of Directors at its next scheduled meeting.

4. The decision on the appeal by the Board of Directors is final.

E. Grievance Committee Membership

The Grievance Committee shall consist of four (4) members, of whom three (3) will be members of the Association who are not Directors, and of whom one will be a Director, who shall serve as non-voting Chairperson of the Committee. Association members will be selected by lot for each meeting of the Committee, with names drawn from a pool of volunteers solicited at each year's annual meeting of the Association or other meetings as needed.

Section V – Schedule of Sanctions and Penalties

Sanctions and penalties imposed may include the following:

- Formal letter of reprimand
- Loss of voting rights as provided by law
- Assessments:
    - For damages, liquidated and/or actual
    - For all fees and other expenses incurred by the Association including late fees and interest; and
    - As prescribed by the Board of Directors or its authorized agent
- Police action, towing, etc.
- Action by legal counsel, including court action, liens and foreclosure
- All other judicial sanctions available
- Any other action deemed appropriate.

Section VI – Collection Procedures in Cases of Delinquency on Assessments

- Payments are due on the first (1st) of the month. Payments received after the tenth of the month are considered to be late and shall be assessed a twenty-five dollar ($25) late fee, due on the first of the following month.
- Ten (10) days after the account is due a demand letter may be sent to a delinquent Unit Owner.
- Ten (10) days after the first demand letter is sent a second demand letter may be sent to a delinquent Unit Owner.
- Once an account is sixty (60) days past due, the Association may send the matter to an attorney for collection, although the Association reserves the right to send it to an attorney earlier, if it deems that to be in the best interests of the Association.
- The Association may file a lien and foreclose on a unit for, among other things, the failure to pay any assessment when due, as provided in our Declaration (see 9.5) and our Bylaws (see 10.5). A $100 administrative fee will be charged to the owner for the filling of a lien by the Association. A $250 administrative fee will be charged to an owner in the event of a foreclosure being filed by the Association.
- All amounts not paid when due shall accrue interest at the compound rate of 1.5% per month.
- All costs of collection, including reasonable attorney fees, shall be paid by the Unit Owner.

Section VII – Non-Assessment Fines

Fines for any offense shall be assessed at the following rates:

- First offense: fifty dollars ($50)
- Second offense: one hundred dollars ($100)
- Third offense: two hundred fifty dollars ($250)
- Fourth offense and thereafter: five hundred dollars ($500)

Each day a violation Each day a violation continues is a separate violation and shall result in an additional fine(s). Such fine is not a waiver of other remedies, including actual damages and an injunction.

If the Association retains legal counsel to aid in the enforcement of applicable laws and/or the Condominium's Declaration, Bylaws, and/or Rules and Regulations, it shall be entitled to recover its actual attorney fees and costs from the offending residents and unit owner(s).

Any such fine, attorneys fee, or cost shall be due ten (10) days after the fine, fee, or cost is assessed and shall be treated as delinquent if not paid when due.

Section VIII – Assignment of Rents

If a unit is occupied by a tenant and the unit owner is more than thirty (30) days delinquent in paying any monetary obligation due to the Association, the Association

may make a written demand to the tenant to pay to the association the subsequent rental payments. The demand is continuing in nature: the tenant must pay rental payments to the association until all monetary obligations of the unit owner related to the unit have been paid in full to the association and the association releases the tenant or the tenant discontinues tenancy in the unit.

If the tenant fails to pay a required payment to the association after written demand has been made to the tenant, the association may issue notice and sue for eviction as if the association were the landlord. However, the association is not otherwise considered a landlord and has no such obligations.

The Association must mail written notice to the unit owner of the Association's demand that the tenant make payments to the association.

The Association shall, upon request, provide the tenant with written receipts for payments made.

This provision in no way limits or restricts the association's right and ability to pursue collection remedies against the unit owner in any way permissible under Chapter 703 of the Wisconsin Statutes and the condominium documents, including foreclosure.

Section IX – Utility Cost Adjustment Policy and Procedure

The following is a codification and clarification of the current policy and procedure for ensuring that the utility costs collected from the owners is equal to the utility charges received by the KOTL Association.

The Board shall establish an annual utility budget as part of the required Annual Budget adopted by the Association.

The Finance Committee and/or the Manager shall report to the Board on a quarterly basis the status of the budgeted amount for utilities and the billings for said utilities. The Finance Committee and/or manager shall make a recommendation to the Board to adjust the utility charges either up or down, consistent with the analysis of the actual charges verses collections.
Said adjustment shall be put into effect as soon as practical following the Board's action.

At the end of the budget year, following the formal audit of the Association's accounts, the Board will initiate a finalized utility adjustment. This adjustment will result in either a utility rebate or a utility charge to the current owners of the unit. Thus the utility account will be balanced for the respective budget year.

In making this adjustment, the Board shall retain a five percent (5%) surplus of the utility costs to avoid the lack of funds to pay for future utility costs, as they come due.

In the case of a lack of cash flow, as determined by the Associations accounts receivable, the adjustments maybe deferred, provided that the owners are so advised and provided with the accounting of the utility line item and the reason for the cash flow issue.

The Association will pay to the current owner and or collect from the current owner of a

unit the amount(s) determined to be needed to balance the account associated with said unit.

The Association shall not be encumbered to or obligated to rebate and or collect from the previous owner(s) of record at the time of said adjustment.

The above policy and procedure is subject to change consistent with the conveyances, Declarations, By-Laws and Rules and Regulations of the Association.

Section X – Suspension of Elective Maintenance Services

In the event a unit owner is more than thirty (30) days delinquent in the payment of any assessments (as defined below) to the Association, the owner shall not be entitled to use any elective services of the Association, including but not limited to laundry tokens and reserved or unreserved parking, nor shall the owner be entitled to use the services of the Association's maintenance personnel for any unit repairs or maintenance.

Assessments shall mean and include: 1) regular and special assessments for common expenses and charges, 2) fines, 3) assessments against the unit for damages to the condominium, or 4) penalties for violations of the Declaration, Bylaws, or Rules & Regulations. Assessments shall also include late fees, interest and attorney fees and any other unpaid charges made against the unit owner.

The Board of Directors shall have the right to waive enforcement of this provision when repairs to the unit are necessary for the safety of other residents and/or to prevent damage to other units or portions of the condominium.

Under no circumstance will the Association suspend maintenance and repairs to the common elements that are paid for by regular or special assessments from all unit owners.

Section XI – Homeshare/Short-Term Rentals

This section applies to all Unit Owners desiring to rent their Unit on short-term basis outside of the hotel operation.

A. Unit Owner Notification to Association:

Unit Owners shall provide the Association with thirty (30) days prior written notification on the Annual Unit Registration Form prior to listing or renting their Unit(s) for short term rental ("Homeshare") [forty-five (45) days or less].

The notification shall include:
1. The name, address and contact information for the Unit Owner(s);
2. The Unit(s) number(s) subject to such listing or rentals;
3. The initial date of such rental(s); and
4. The name of the website(s) on which the Unit(s) shall be rented and / or listed for rental

In addition, Unit Owners shall provide the Association a copy of the Unit's listing agreement at least thirty (30) days prior to the Unit's listing on any platform as a Homeshare Unit. At a minimum, the listing agreement shall include the Unit Owner's name, Manager's name (if applicable), Unit number, and the date of registration as a Homeshare Unit.

All notification to the Association described herein shall occur through the Annual Unit Registration Form, Online Homeshare Rental portal, via e-mail to the General Manager, and / or as directed by the General Manager.

B. Unit Owner Responsibility:

Unit Owners are responsible for ensuring that their respective insurance policy covers Homeshare rentals and providing the Association with evidence of same. Unit Owners shall procure and maintain commercial liability insurance coverage from a reputable insurance provider. The policy shall name the Unit Owner as the insured party and specifically identify the condominium association as an Additional Insured. The commercial liability insurance policy shall provide coverage for all claims arising from the unit owner's activities within their unit and any associated common areas.

The Association is not a party to the transaction between a Unit Owner and the Homeshare renter, ("Renter").

The Unit Owner is solely responsible for ensuring that the Renter is made aware of all Rules and Regulations, Bylaws, Declarations, ("Condominium Documents") and agrees to abide by same. Unit Owner shall ensure that a current copy of the Condominium Documents are printed and made available to view in the Unit at all times by the Renter while the Unit is occupied by a Renter. Failure of the Renter(s) to following the Condominium Documents will result in fines being assessed against the Unit Owner.

C. Required Information for Each Homeshare Rental

The Unit Owner(s) shall also provide the Association with the following information through the Online Homeshare Rental portal for each Homeshare rental prior to Renter arrival:

1. The name of the Unit Owner;
2. The Unit number;
3. The full name of the Renter(s); and
4. The Renter's check in and check out date(s)

A copy of the fully executed rental agreement shall be received by the Association within seven (7) days of Renter(s) arrival.

In the event of a cancellation, Unit Owner (or manager if applicable) shall advise the Association prior to scheduled check in date OR within seven (7) days of cancellation, whichever comes first.

In the event of a modification, Unit Owner (or manager if applicable) shall resubmit Renter registration and executed agreement within seven (7) days of modification.

If a Unit Owner fails to properly register a Renter(s) and/or provide the rental agreement as provided above, the Unit Owner shall be assessed a fee for each violation.

D. Protection of the Association's Hotel License:

All Unit Owner(s) who elect to list and / or rent their Unit(s) on a Homeshare basis shall secure all necessary permits and licenses prior to listing and / or renting their Unit as a Homeshare Unit. All necessary permits, licenses, and inspection results shall be submitted to the General Manager upon receipt and renewal. Unit Owners are responsible for all costs and / or fees related to permits, licenses, inspections, including when billed directly to the Association.

No Unit Owner shall operate under or otherwise cause harm to the Association's Hotel / Motel License. Unit Owner shall be held responsible for any costs, fees, or otherwise harm caused to the Association, including but not limited to its Hotel / Motel license.

E. Homeshare Rental Fees

Listing and / or rental of a Unit on a Homeshare basis shall cause the Unit Owner to pay an annual and monthly fee to the Association. Any such fine, fee, or cost shall be due ten (10) days after the fine, fee, or cost is assessed and shall be treated as delinquent if not paid when due.

The annual Homeshare Rental Fee shall include the administrative costs for obtaining and supporting the Online Homeshare Rental portal, registering Unit Owners who register their Unit(s) under the Homeshare classification, and up to one hour of administrative labor for onboarding and continuous training.

The annual Homeshare Rental Fee is $325.00. The annual Homeshare Rental Fee shall be billed on an annual basis on the monthly statement following registration submission as described herein and due accordingly.

The monthly Homeshare Rental Fee shall include basic guest concierge services similar to those offered to guests of the Hotel Operation, such as key distribution, brief orientation, as well as Unit Owner registration of Renters through the Online Homeshare Rental Portal, and others as determined by the General Manager.

The monthly Homeshare Rental Fee is $200.00 per month. The monthly Homeshare Rental Fee shall be billed on the following monthly statement for each applicable month as described herein and due accordingly.

In the event manual data entry is required by the Association, an additional $25.00 fee (or actual cost, whichever is greater) shall apply. Any such fee or cost shall be due ten (10) days after the fee or cost is assessed and shall be treated as delinquent if not paid when due.

In the event the Unit is listed as and / or renting as a Homeshare Unit and / or providing Homeshare services without advance registration with the Association as provided above in Section XI A and Section XI C, all applicable fine, fee, or cost shall be applied retroactively and doubled.

Any such fine, fee, or cost shall be due ten (10) days after the fine, fee, or cost is assessed and shall be treated as delinquent if not paid when due.

F. Limit on the Number of Units on Home Sharing Web Sites

The State of Wisconsin's requirements for a Tourist Rooming House License provide that no single Unit Owner (or manager on behalf of a Unit Owner) shall list and / or rent more than a total of four (4) concurrent Units on Homeshare basis.

G. Limit on Monthly Homeshare Rental Fees as Percentage of Gross Income

In the event the monthly Homeshare Rental Fee paid by a Unit Owner in the prior calendar year exceeds 25% of the Unit's gross revenue within that same period, Unit Owner shall be provided the option, within the following calendar year, to supply the Association with a copy of their Schedule C or Schedule E tax document including supporting documentation related to gross income to receive a credit of the monthly Homeshare Rental Fee(s) which exceed 25% of the Unit's gross revenue. Annual fees shall be excluded from this calculation.

For example: In the event a Unit earned $1,000 in gross revenue in a calendar year, and the same Unit paid for two months of the Monthly Homeshare Rental Fees at $200.00 per month equaling $400.00 in the calendar year, the Unit Owner would be eligible for a credit of Monthly Homeshare Rental Fees paid that exceed 25% of the $1,000 in gross revenue. In this example, the credit to Monthly Homeshare Rental Fees would be $150.00.

Such credit shall be administered to Unit Owner within two billing cycles as defined in Section II C: Assessments.