

**RULES AND REGULATIONS
GOVERNING THE USE AND MAINTENANCE
OF THE FLAG HARBOR YACHT HAVEN FACILITIES**

Revised March 30, 2009

USE AND OCCUPANCY RESTRICTIONS

The use of condominium property shall be in accordance with the following provisions as long as the condominium exists. The provisions and conditions of Article X of the By-Laws are a part of these regulations.

A. UNITS.

1. Each condominium slip unit shall be used exclusively for the dockage of watercraft. Subject only to the notice requirements of Article X, an owner may sell, lease, devise or otherwise dispose of the unit and may permit others to use said unit. An owner shall provide the condominium office with a completed "Slip Rental Agreement" when the slip unit is leased or otherwise used by persons other than the owner.
2. The condominium commercial unit may be used for, among other things, erection and operation of stores, restaurants, lounges, boat yard, gas dock and travel lift and other commercial activities usual to marinas, and if Developer or its assign elects, part of the condominium commercial unit may be used to erect residential units condominium or otherwise.
3. In regard to condominium slip units, the following restrictions shall apply:
 - a. No repairs to watercraft shall be permitted within the slip other than repairs which can be accomplished without disturbing others using the marina.
 - b. No dock boxes or other physical structures shall be constructed or added, except for work to be approved by the Board of Directors.
 - c. No commercial activities will be permitted in the slips without approval of the Board of Directors.
 - d. No loud, offensive or dangerous activities shall be permitted in the slips including particularly storing of flammable substances, use of open flames or fire.
 - e. The Board of Directors may, by regulation, control potentially disturbing conduct including fixing permissible hours and conditions for such conduct.

f. Any watercraft occupying a slip unit shall be secured so as to prevent release of vessel, damage to vessels or harbor property or other property of any type. The vessel shall not be of such size as to exceed the actual length or width of the slip. Should the dockmaster or his representative deem it necessary to enter upon any vessel or condominium property for the purpose of protecting same, he shall not be liable for any damage not the result of gross negligence. Dockmaster, or his representative, shall be entitled to reasonable compensation for labor, equipment or parts used or expended in and about the protection of any vessel or condominium property. Such charges shall be the responsibility of the individual vessel or condominium owner receiving such assistance.

B. COMMON ELEMENTS. The common elements shall be used only for the purpose for which they are intended in the furnishing of service and facilities for the enjoyment of the units.

C. CHILDREN. Children under the age of 14 shall be permitted in the marina, provided that they are under the care and supervision of a responsible adult. Children shall at all times be subject to the provisions of this Declaration and exhibits thereto, and also to all rules and regulations promulgated by the Association.

D. PETS. No animals or pets of any kind shall be kept in any unit or any property of the condominium except with the written consent of, and subject to, the rules and regulations adopted for keeping such pets by the Board of Directors of the Association, provided, that such consent may be terminated, without cause, at any time, by the Board of Directors of the Association. No animal shall be allowed to create or cause any disturbance or nuisance of any kind and if an animal or pet does cause or create a nuisance or an unreasonable disturbance said animal or pet shall be permanently removed from the property within three (3) days from the day the owner receives the written notice from the Board of Directors of the Association. The owner of any pet or animal shall be liable for any and all damage caused by such animal or pet to any part of the condominium property, or any other property operated by the Association. All pets in the marina condo area shall be on a leash or under direct control of the owner. All pets shall use the designated pet walking area to relieve themselves.

E. NUISANCES. No use or practice which is either annoyance to unit owners or any interference with the peaceful possession and the proper use of the property by the unit owners shall be allowed. All parts of the condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. No nuisance shall be allowed upon the condominium property to include but not limited to any of the units or any property owned or operated by the Association.

F. INSURANCE. All vessels occupying any slip unit shall have insurance coverage with respect to his/her responsibilities herein. No unit owner shall permit any use of his unit or

make any use of the common elements that will increase cost of insurance upon the condominium property.

G. LAWFUL USE. No immoral, improper, offensive or unlawful use shall be made of the condominium property to include but not limited to any of the units and any of the property owned or operated by the Association. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the condominium property shall be the same as the responsibility for maintenance and repair of the property concerned.

H. REGULATIONS. These regulations concerning the use of the condominium property may be made and amended from time to time by the Board of Directors of the Association.

I. NOISE ABATEMENT. No noise shall be permitted to be transmitted from one unit to another. In the event the Board of Directors of the Association determines that any noise is being transmitted to another unit and that such noise is unreasonable (regardless of whether that unit is adjacent or not to the offending unit), then the owner of such unit shall, at his own expense, take such steps as shall be necessary to abate such noise to the satisfaction of the Board of Directors of the Association. In the event of the owner of such unit fails to abate the unreasonable noise, the Board of Directors shall take such steps as shall be necessary to abate the noise and unit owner shall be liable to the Association for all expenses incurred by the Association in abating the noise including reasonable attorneys' fees.

J. PROVISO. Provided, however, that until Developer has completed all of the contemplated improvements and closed the sales of all the units of condominium, neither the unit owners nor the Association, or the use of the condominium property by the aforesaid parties, their agents, guests, licensees, or invitees shall interfere with the completion of the contemplated improvements and the sale of the units. Developer may make such use of the unsold units and common areas as may facilitate such completion and sale of units.

K. SIGNS AND ANTENNA AERIALS. No signs, advertisements or notices of any type shall be displayed on the condominium property to include but not limited to the units and property or antenna exclusive of those aboard the watercraft shall be placed on the condominium property unless the Board of Directors consents in writing to the said signs, advertisements, notices or aerials.

L. AUTOMOBILE PARKING. The parking areas are made available without discrimination for (1) slip unit owners, their guests, and invitees and occupants; (2) Condominium commercial unit owners, their guests, employees and invitees; (3) Developer and its guests, employees, agents and invitees. The parking areas shall not be used for dead storage of automobiles, nor for the parking of trailers, boats, vans or trucks (except on service calls) without prior approval of the Board of Directors or dockmaster.

M. HEATING. Absolutely no heaters, heating devices or lights are to be permitted on boats without the owner or his representative aboard unless approved by the Board of Directors. Open flames and/or charcoal burners are not permitted aboard vessels or on the docks. This rule is for the fire protection of all boats in the harbor.

N. REFUSE. Refuse shall not be thrown overboard. Garbage and trash shall be deposited in the containers provided. Oil, fuel or other foreign matter shall not be discharged into the waters of the Marina. Owners are to use Marina toilet facilities or holding tanks while docked.

O. Owners will keep all walkways clear. No lines, electric cords or hoses are to be left across dock walkways or strung between individual slip areas. The only exception to this is the use of electrical extension cords as provided in paragraph 'S' below. Water hoses shall be neatly stored within the owner's slip area.

P. When not in service, all halyards or other lines shall be so secured as to prevent their causing noises or sounds that may be disturbing to others including adjacent land owners.

Q. No crabbing, fishing, bathing or swimming from cat-walks, piers, bulk heads or banks of the marina is permitted.

R. It is the responsibility of persons using the toilet facilities to see to it that doors are locked after use.

S. ELECTRICAL OUTLETS. The 115V duplex electrical outlets located throughout the condominium docks are for use by slip owners/renters for working on their boats while they are present on their boats. Extension cords used with these outlets shall not be strung across dock walkways. Any other use is not allowed.

T. DINGHY STORAGE RACKS. Use of these racks by owners/renters is controlled by the Association. Contact the Condominium office for a rack assignment.

U. NO WAKE ZONE. All channels/waterways in the Marina are designated "No Wake Zones". This zone begins at the bay channel entrance abeam of the navigation markers.

MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

Responsibility for the maintenance of the condominium property and restrictions upon its alterations and improvements shall be as follows:

A. MAINTENANCE AND REPAIRS.

1. The Association shall be responsible for and shall see to the maintenance, repair and operation of the Common Elements and Limited Common Elements, if any, of the condominium. The Association shall have all powers necessary to discharge this responsibility, and may exercise these powers exclusively if it so desires, or may delegate them as elsewhere provided for in this Declaration and exhibits thereto.

B. ALTERATIONS OF UNITS.

1. No unit owner shall make or cause to be made any structural modifications or alterations in either his unit, the water, gas, electrical, plumbing, or utilities therein without the consent of the Board of Directors, which consent may be withheld in the event the Board of Directors determine that such structural alteration or modification would in any manner endanger or impair the marina.

2. In the event a unit owner does make certain alterations or modifications in a unit, the unit owner must use contractors and subcontractors who are approved by the Association, and the contractors and subcontractors must comply with all rules and regulations adopted by the Board of Directors of the Association. The unit owner shall be liable for all damage caused by the contractors, subcontractors and employees of the unit owners whether such damages are caused by negligence, accident or otherwise.

C. ALTERATIONS, ADDITIONS AND IMPROVEMENTS TO COMMON ELEMENTS.

1. The Association shall have the right to make or cause to be made substantial and material alterations, improvements, and additions, to the Common Elements provided the Association meets the following provisions: there shall be no alterations or additions to the Common Elements of this condominium where the cost thereof is in excess of ten percent (10%) of the annual budget of this condominium common expenses except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the voting unit owners; provided the aforesaid alterations and additions do not prejudice the right of any unit owner unless his or her consent has been obtained. The cost of the foregoing shall be assessed as common expenses. Where any alterations or additions, as aforesaid, are exclusively or substantially exclusively, for the benefit of the unit owner requesting same, then the cost of such alteration or addition shall be assessed against and collected solely from the unit owner exclusively or substantially exclusively benefiting, and the assessment

shall be levied in such proportion as may be deemed fair and equitable by the Board of Directors of the Association.

2. The maintenance and operation of the Common Elements shall be the responsibility of the Association and a common expense.

D. MANAGEMENT CONTRACTS.

1. The Board of Directors of the Association may enter into a contract with any firm, person or corporation, or may join with other condominium associations and entities in contracting for the management, maintenance and repair of the condominium property and other type properties, except such as are specifically required by this Declaration or by the By-laws to have the approval of the Board of Directors or the membership of the Association.
2. The Board of Directors of the Association or the agents or employees of the Association shall at all reasonable times, have access to all parts of the common elements. The unit owner shall allow the Board of Directors, or the agents or employees of the Association, to enter into any unit for the purposes of maintenance, inspection, repair or replacement of the improvements within the unit or the common elements, or to determine in case of emergency, circumstances threatening units or the common elements, or to determine compliance with the provisions of this Declaration and the By-laws of the Association.
3. In the event the owner of a unit fails to maintain said unit as required herein or makes any alteration without the required written consent or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. The Association shall be entitled to retain the services of an attorney to enforce compliance with this article of the Declaration, and shall be entitled to all reasonable attorney's fees incurred, including appellate attorney's fees and suit costs, from the noncompliant unit owner. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the owner of a unit and the unit for such necessary sums to remove any unauthorized addition or alteration and to restore the property in good condition and repair. Said assessment shall have the same force and effects as all other special assessments.