BLUE HARBOR RESORT CONDOMINIUM a condominium

Rules and Regulations – Condominium Units

Use of your Unit will be more enjoyable at Blue Harbor Condominium (the "Condominium") if the Units are kept neat and clean and if no Unit Owner or occupant acts in such a way as to infringe on the rights of others. These Rules and Regulations have been developed and adopted by the Board of Directors (the "Board") of the Blue Harbor Condominium Owners Association, Inc. (the "Association"), to accomplish these objectives and to assure the successful operation of the Condominium as a resort hotel. These Rules and Regulations are in addition to and supplement the provisions of the Declaration, the Association's Articles of Incorporation and the Association's Bylaws. Capitalized or defined terms shall have the meaning set forth in the Declaration unless otherwise defined herein.

These Rules and Regulations apply to all Unit Owners and their Guests, except that certain of the Rules and Regulations only apply to Unit Owners. "Guests" include any person in lawful possession of and Owner's Unit (such as, an overnight guest who compensates the Unit Owner) or any person who uses, occupies or comes upon the Common Elements with the Owner's consent given expressly, impliedly or by acquiescence. Owners are responsible for their Guests and their behavior. For those Owners who enter into Rental Management Agreements with Blue Harbor Resort Sheboygan, LLC (the "Hotel Manager"), the Hotel Manager, not the Owner, will be responsible for costs of damage to their Units or the personal property in the Unit caused by persons who rent the unit from the Hotel Manager, but the Owner will still be responsible for the cost of repair and replacement as a result of ordinary wear and tear to the Unit and the personal property in the Unit.

A. Units

1. No use of a Unit shall create any nuisance or unreasonable annoyance for others. Owners and Guests will exercise proper care to minimize noise in connection with the use of musical instruments, radios, television sets, amplifiers or other loudspeakers, so as to not disturb other persons occupying Units or using the Common

Elements. No musical instrument will be played and no tape/compact disc players, radio, television set or other sound amplification systems will be allowed to be operated or played in any Unit if the same will disturb or annoy other Unit Owners or Guests.

2. No use of a Unit shall damage or interfere with the operation of the Condominium's Common Elements.

3. Unit toilets and other plumbing and related apparatus shall not be used for any purposes other than those for which they are intended, nor shall improper articles be disposed of in them. Any damages resulting from misuse thereof shall be borne by the Unit Owner within whose unit such damage shall have been caused.

4. No Unit Owner shall install or operate in the building any supplemental heating equipment or use any illumination other than electric light, or use or permit to be brought into the Building any flammable liquids or gas such as gasoline, propane gas, kerosene, naphtha or benzene, or other explosives, or articles deemed extra hazardous without in each case first obtaining the written consent of the Board. No Unit Owner or Guests shall tamper with or in any way alter safety equipment in the Units or any Common Elements.

5. No sign, signal, advertisement, poster or illumination, including but not limited to "For Rent" signs, shall be displayed or exposed on any window, balcony, patio or other part of the building or in or on any of the Common Elements except such as shall be approved, in advance, and in writing by the Board.

6. The temperature in all Units shall be maintained at a reasonable level during the entire year to insure proper operation of all utilities including, but not limited to plumbing. Each Unit Owner is responsible for any damage caused to his/her own Unit, to any other Unit or to any Common Elements caused by his/her failure to

maintain a reasonable temperature. The Association reserves the right (but not the obligation) to enter Units to adjust the heat or air conditioning in said Units to reduce the likelihood of such damage.

7. All curtains, blinds and other window coverings visible from the exterior of the Building shall be those that were included in the original construction of the Residential Unit. Any replacement of such window coverings must be consistent in outside appearance with all other window coverings in the Building, and must be approved in advance by the Board. No sheets or temporary coverings of any type shall be used without prior approval of the Board.

8. Owners will maintain their Units at all times in compliance with all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Condominium.

9. An Owner, contractor or subcontractor prior to 8:00 a.m. or after 6:00 p.m will perform no repairs within the Unit. The foregoing shall not apply to emergency situations or to the Declarant for so long as the Declarant is holding Units for sale.

10. There shall be no smoking permitted in any Unit.

B. <u>Limited Common Elements – Balconies/Patios</u>

1. No use of any of the Limited Common Elements shall create any nuisance or unreasonable annoyance for others. Unit Owners and Guests will exercise proper care to minimize noise in connection with the use of musical instruments, radios, television sets, amplifiers or loud speakers, so as not to disturb other persons using the Condominium.

2. Unit Owners and Guests have exclusive right to use the balconies, which are Limited Common Elements appurtenant to their respective Units.

3. Unit Owners, except Unit Owners who have entered into Rental Management Agreements with the Unit Manager, are obligated to clean the balconies or patios appurtenant to their respective Units. Cleaning will be accomplished so as not to interfere with the balconies or patios of other Unit Owners.

4. Alterations, changes or additions, and permanently affixing items to the floor, walls, ceiling or railings of any balcony or patio is prohibited without specific and advance written approval by the Board. Screening or enclosure of balconies and patios is prohibited.

5. No cooking (including use of grills) shall be permitted on any balcony, patio, or the Common Elements, except in any area that may be specifically designated for such purposes by the Board.

6. Shaking rugs and mops from any balcony, patio or any window, or drying or hanging clothes or any other items in, on or about a balcony or patio, or from the railing of any balcony, or on the Common Elements is prohibited. Dropping or throwing anything from a balcony or patio, except for ordinary snow removal, is prohibited.

7. The placement and use of any furniture, fixtures, planters or other items on or about balconies or patios, other than furniture which was included in original purchase of the Unit or exact replacements, shall be prohibited unless the Unit Owner obtains the prior written approval from the Board.

C. Common Elements – Parking Areas, Driveways, Walks and Recreational Areas

1. No use of any Common Elements shall create any nuisance or unreasonable annoyance for others. Unit Owner and Guests will exercise proper care to minimize noise in connection with the use of the musical instruments, radios, television sets, amplifiers or loud speakers, so as not to disturb other persons using the Condominium.

2. No Unit Owner or Guest shall park any vehicle in such a manner as to impede or prevent any access to any parking areas. Unit Owners and Guests will obey all parking regulations and any other traffic regulations promulgated in the future by the Association for the safety, comfort and convenience of Unit Owners and Guests. All parking spaces are assigned by building. Owners and Guests must park in any of the two (2) per four-bedroom condominium and one (1) per two-bedroom condominium on a first-come first-serve basis.

3. Unauthorized cars in any parking space may be removed with the assistance of the police and at the car owner's expense.

4. No vehicle repairing, changing of oil or any similar activity shall be permitted anywhere on the Common Elements.

5. No campers or other recreational vehicles shall be parked on any part of the Common Elements for more than twenty-four (24) hours at any given time without the Association's prior written consent.

6. Only vehicles being regularly used by Owners or Guests may be parked in parking areas. Vehicles, which are not removed from the Condominium parking area at least

once per week by their owners, shall not be deemed to be "regularly used" for purposes of this rule. Storage of vehicles in the parking areas is prohibited.

7. The Common Elements (including Limited Common Elements) must be kept free and clear of rubbish, debris and other unsightly materials and must not be obstructed, littered, defaced or misused in any manner.

D. Pets/Animals

1. No animals of any kind, except animals assisting the disabled, shall be permitted in any Unit or in any of the Common Elements, at any time.

E. Miscellaneous

1. Soliciting is prohibited. No one shall solicit for the sale of goods or provisions of services or for donations anywhere on or about the Condominium.

2. No individual outside antennas, satellite dishes or wires are permitted to be installed on the exterior of the Building or to protrude from the Building in any way. Satellite television service is provided to each Unit and the cost is included in the Common Expenses.

3. Neither the Board, the Association nor any of its officers, agents or employees are responsible for personal property left in any of the Common Elements, including property left in vehicles parked in the parking areas.

4. Agents of the Association are prohibited from entering individual Units except in the case of any emergency or as otherwise authorized in the Declaration, the Association Bylaws or these Rules and Regulations. The Association shall be entitled to retain a pass (master) key to all Units.

5. Bicycles may not be parked or stored anywhere in the Condominium (including Common Elements, Limited Common Elements and Units) without the prior written approval of the Board.

6. Unit Owners and Guests shall at all times be properly attired when in residence or when in, on or about the Common Elements.

7. Children are not to play in the stairways, parking areas or other areas of the Common Elements not designated for recreational use.

8. All Unit Owners and their Guests shall abide by posted rules regarding use of all recreational amenities and such other rules that are provided to the Unit Owner by the Association.

9. Unit Owners agree to abide by the Checklist of Maintenance Responsibility attached to these Rules and Regulations and made a part hereof.

F. Compliance and Enforcement of Rules and Regulations

1. These Rules and Regulations apply to each Unit Owner and his/her Guests (unless a specific rule or regulation is limited in its application to Residential Unit Owners).

2. Losses or damage to Common Elements or another Unit caused by a Unit Owner or his/her Guests shall be the responsibility of said Unit Owner. Such losses or damages may be chargeable to the Unit Owner as a special assessment.

3. Routine enforcement of these Rules and Regulations shall be by the Association (by such persons as the Association may designate), which shall adopt enforcement policies and procedures.

4. Local police will be called for enforcement of ordinance and other violations of law.

5. Unit Owners should promptly report infractions of these Rules and Regulations to the Association

6. The Board reserves the right (as provided in the Declaration and Bylaws) to amend, alter or cancel any of these Rules and Regulations and to make such other Rules and Regulations from time to time as may be deemed necessary for the safety, care, general welfare and cleanliness of the Condominium and Unit Owners and for enhancing the comfort and convenience of Unit Owners and Guests.