

Castaways

Marina

Operating Rules and Procedures

As Amended by the Board of Directors 6/8/2020 and 7/13/20

Castaways Marina Operating Rules and Procedures

The purpose of this document is to provide Operating Rules and Procedures (House Rules) for Castaways Marina, Inc. This document shall not supercede the Castaways Marina Incorporated By-Laws or the Castaways Marina Incorporated Boat Slip Property Lease Agreement. This document shall be used to govern the daily administrative and operational activities of the Marina.

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1.0 Board of Directors, Communication, and Committees

1.1 Function

1.1.1 The function of the Board of Directors is to act as the governing body for the Corporation. The group meets regularly to resolve marina administrative and operational issues. They also discuss, plan, and bring resolution to issues relating to the docks, facilities, grounds, rental house, slip purchases or transfers, mobilization of resources in emergency situations, and other issues where board intervention is required to insure the safe and proper operation of the marina.

1.1.2 The board is comprised of 7 elected directors/members. Each Director's term is for 2 years and unpaid. Each member has 1 vote at board meetings. A majority vote is required to pass a proposal. These are the board positions and their high level responsibilities:

- President: chairs the meetings, makes proposals, brings about discussion
- Vice President: assumes duties of President in his/her absence, manages the Marina storage building
- Secretary: records the minutes, maintains marina records, maintains shareholder insurance records, makes proposals, brings about discussion.
- Treasurer: prepares and maintains the budget, makes expenditures, makes proposals, brings about discussion.
- Dock Master: maintains the docks and dock facilities, makes proposals, brings about discussion.
- Property Manager: maintains buildings and grounds, makes proposals, brings about discussion.
- At-Large: manages sales and marketing; manages sub-lease of slips

1.1.3 In addition to attending meetings, board members work hard to prepare proposals, coordinate estimates, maintain documentation, organize events, supervise subcontractors, and in some cases physically perform the work to accomplish maintenance and improvement projects. These are passionate dedicated individuals that give a great deal of their own time to implement the safe and proper operation of the marina.

1.2 Responsibilities

1.2.1 The board is responsible and accountability to shareholders as follows:

1.2.1.1 By applying, enforcing, and modifying as necessary, the Marina Rules and Procedures.

1.2.1.2 By interpreting the spirit and intent of the Marina Operating Rules and Procedures in circumstances that are not obvious or clear cut.

1.2.1.3 By discussing all aspects of issues before bringing a vote and by recording the board's actions in the Meeting Minutes. The Minutes detail the issues discussed and voted upon at each board meeting. The minutes are distributed to all shareholders and become part of the record.

1.2.1.4 By recording the board's disbursement of funds in the budget. The budget details monies coming into and being expended from the marina's checking account. The budget is available for all members to view and is part of the permanent record. Other financial documents such as spending proposals, financial reports, and financial expenditures are documented and on file for review at any time by shareholders.

1.2.1.5 By planning and implementing improvements, upkeep, and maintenance of the marina's docks and property. Approved plans for work, materials, and other similar documentation is maintained as part of the permanent record.

1.3 Committees

The purpose of committees is to engage the corporation's membership in a cooperative fashion to solve problems and plan for improvements or events. Committees play an important function at the Marina

1.3.1 Committees do research, plan, prepare reports, make improvements, and make recommendations to the Board of Directors and in some cases the membership.

1.3.2 The Board of Directors determines if there is a need to create or call on a particular committee. At that time the Board will authorize the committee and indicate the purpose, scope, and deadlines if required.

1.3.3 Some committees are standing, including the Winter Committee, the Rules Committee and the Strategic Planning Committee, while other committees recur occasionally.

1.3.4 Participating on committees is voluntary. Shareholders and Tenants that participate on committees care about the marina, have a strong sense of purpose and want to contribute to the future success of the Marina. All shareholders and tenants are encouraged to participate on committees.

1.4 Improvement Suggestion Process

1.4.1 Shareholders and Tenants are encouraged to submit improvement ideas, processes, or rules to the Board of Directors. **Use** the Improvement of Idea or Operating Rules and Procedures Change Request Form at the back of this document.

1.5 Notification of Appreciation Process

1.5.1 Often times boaters at Castaways perform good and selfless deeds that go unnoticed. Even though this behavior is a tradition among boaters, Shareholders and Tenants are encouraged to notify the Board of Directors when good deeds are performed by other Shareholders, Tenants or Guests. The Board shall make a formal mention of the good deed in the minutes and any other manner it deems appropriate. **Use** the Board Recognition/Appreciation Form at the back of this document.

2.0 Boat and Vessel Maintenance

2.1 Cleaning, general maintenance and repairs

2.1.1 Normal repairs and maintenance on boats may be done at the marina. Shareholder and tenants may perform cleaning, general maintenance and repairs to their boats and vessels while at Castaways Marina.

2.1.2 While working on boats, shareholders and tenants must be mindful not to damage or tarnish their neighbors' vessel or the marina docks. They must also be mindful not to block the head pier, fingers, and docks with tools or equipment. Understandably some jobs may temporarily limit access but work must be performed quickly and safely so that complete access is restored.

2.1.3 Repairs that involve large engine lifting machinery or other large equipment on the docks are not allowed without board approval.

2.1.4 Repairs that may have the potential to spill grease or oil on the docks or in the water are not allowed.

2.1.5 After the completion of repairs and/or cleaning, the tools, equipment and supplies shall be removed from the docks and properly stowed by the shareholders, tenants, or hired contract professionals. The shareholder, tenant, or contractor will be held accountable for injury, damage, or pollution due to tools or equipment left on docks and walkways.

2.2 Painting

2.2.1 Spray painting or sand blasting may not be done in the Marina.

2.2.2 Brush or roller painting is allowed while in the slip but drop cloths must be used to prevent damage to docks, slips or common areas.

2.2.3 Clean up of such an area is the responsibility of the Shareholder and Tenant. Damage of such areas that require repair by the corporation will be charged to the boat owner.

1.1.1. ~~Brush~~

1.1.2. ~~Spray~~

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3.0 Boat and Vessel Mooring

3.1 Slip Mooring

3.1.1 Boats are to be registered, identified, marked, equipped and maintained as required by applicable law and safe boating practice.

3.1.2 Boats in slips or in tie-along spaces must be moored securely, properly and safely.

3.1.3 No boat or vessel appendage shall obstruct docks, land or waterways so as to cause a problem. This includes all projections, such as transoms, platforms, booms, davits, bow sprits or other projections. No boat shall extend from the end of a slip (including small craft).

3.1.4 Boats (large and small) operated in or near the Marina must be operated at low speeds so no wake is produced

3.1.5 From time to time Shareholders may loan, borrow or authorized the use of their slip to a Non-Shareholder. The following rules apply:

3.1.5.1 This usage shall not exceed seven (7) days unless authorized by the Board of Directors. Each Shareholder who loans or borrows their slip to a Non-Shareholder shall inform the Marina Dockmaster. Visiting boats moored at the marina in excess of seven (7) days must provide evidence of insurance as provided below in Rule 6.0.

3.1.5.2 These Operating Rules and other rules that apply to Shareholder shall apply equally to those Non-Shareholders. In any event the Shareholder who authorizes a visitor these privileges shall be the primary individual liable for any loss, damage or injuries caused by the Non-Shareholder. However, nothing in these rules shall be construed to authorize a shareholder to sublease or rent space in their slip without approval from the board of directors.

3.2 Head Pier Mooring

Shareholders and tenants shall be mindful that the head pier belongs to the marina as a whole and is not in any way included or connected to a slip's lease. The following priorities shall govern Head Pier usage.

3.2.1 Priority One - Should there be extensive damage to or debris in a Shareholder's slip that would preclude the Shareholder from using that slip, the Shareholder may moor his/her boat along the main Head Pier until damage has been repaired or debris removed.

3.2.2 Priority Two - Since many Castaways boaters have more than one boat (small craft) the use of the main Head Pier in front of their slip may be used for mooring of a small craft. This usage is allowed if it does not interfere with any other uses of the marina. The following shall apply to small craft mooring at the head pier:

3.2.2.1 The height of small craft above the dock shall not exceed 3 feet.

3.2.2.2 The width of the small craft shall not exceed 8 feet and 6 inches.

3.2.2.3 The total length of the small craft shall not exceed the width of the shareholder or tenant's slip. The "total length" measurement is taken from the furthest bow extremity to the I/O drive prop

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or Outboard prop. For example, if the shareholder or tenant has a 16 foot wide slip than his small craft "total length" may not exceed 16 feet. Variances to this rule may only be approved by the Board.

3.2.3 Priority Three - Any Shareholder may have boating visitors spend up to (7) days moored along the main Head Pier. This use is allowed provided that every effort is made to allow Shareholders in the above two situations access to their mooring area. ***In any event the Shareholder who authorizes a visitor these privileges shall be the primary individual liable for any loss, damage or injuries caused by the visitor.***

3.3 Seasonal Mooring Rules

3.3.1 The normal (summer) season is defined as between April 1st and October 30th. The winter boating season is defined as between November 1st to March 31.

3.4 Boat Operation

3.4.1 Boats shall remain operational at all times. The exception would be boats that are under repair. Castaways does not allow boats that are incapable of traveling under their own propulsion

3.4.2 Boats shall be capable of traveling under their own propulsion minimally twice per year and in any emergency situation. *

3.4.3 The Marina strictly prohibits (boaters) boats that are incapable of self propulsion. This does not include un-propelled small craft such as canoes and/or paddle boats.

3.4.4 Boats which fail to move under their own propulsion twice per year shall be subject to a fine of \$200. This fine will double each consecutive year that the boat is not moved under its own propulsion. * Boats which fail to move for four (4) consecutive years must be surveyed out of the water by a qualified marine surveyor and demonstrate seaworthiness before they will be allowed to return to Castaways Marina.

3.4.5 Boats may satisfy the requirement of 3.4.2 above by being certified by an approved, qualified marine mechanic that they are operational and seaworthy. However, this exception may be utilized only three (3) times after which the boat shall be subject to the above survey out of the water.

* Movement/ traveling under their own propulsion means that the boat must leave the confines of Castaways Marina.

4.0 Conduct of Children, Pets, Shareholders, and Guests.

Shareholders, tenants, and their guests are all welcome at Castaway's Marina. It is important to remember that people come to a marina for relaxation, pleasure, social interaction, the love of water and boating and just to have fun. In conjunction with our reasons to come to the marina we must be mindful and respectful of others.

4.1 Children

4.1.1 Owners and their guests must not permit their children to conduct themselves so as to disturb other owners and their guests.

4.1.2 Small children, under the age of six, must wear life vests while on slips and common walkways unless accompanied by an adult.

4.1.3 Any person under the age of sixteen (16) who operates a boat in the Marina area, shall have a state operating permit or be accompanied by an adult.

4.2 Pets/Animals

4.2.1 Pets will be permitted on the Marina property and docks. When off boats, pets must be leashed. Droppings must be properly disposed of.

4.2.2 Pets, when on boats, must not be permitted to disturb members or their guests such as a barking dog left alone on a boat.

4.2.3 Pets are not allowed to roam at large.

4.3 Shareholders, Tenants and Guests

4.3.1 Shareholders and guests must not run, ride bicycles, motorized vehicles, or engage in horseplay on slips or common walkways. Shareholders and guests should conduct themselves with consideration for other owners and guests.

4.3.2 Disturbing noises must be kept to a minimum. Unreasonable noise or large parties after midnight is prohibited, except by Board authorization.

4.3.3 Except for entering or leaving, main engines, generators and other noise making equipment shall not be operated between 12:00 Midnight and 8:00 a.m. Main engines should not be operated in slips for longer than is necessary for warming or maintenance purposes.

4.3.4 Damage caused by shareholders, tenants or guests, whether negligent or accidental, to any Marina property, docks or land will be held responsible for its restoration to original condition.

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5.0 Fueling

Shareholders and tenants shall be mindful of the dangers associated with gasoline and other fuels. There is not only the potential for fire but also the consequences of fuel spills and pollution to the environment. Fuels that come in contact with dock foam will dissolve and destroy the foam.

5.1 Fueling Restrictions and Procedures

5.1.1 Fueling of boats or small craft is not allowed on the slips, docks, walkways or common place areas. For example using metal or plastic Jerry Cans to fuel any boat (large or small) is not allowed in the marina.

5.1.2 Transporting of sealed containers such as metal or plastic portable fuel tanks for small boats is permitted (these are the type with the quick -disconnect). ***These portable fuel tanks must have vent relief valves or some type of vent release.***

5.1.2.1 Transporting plastic or metal Jerry Cans is allowed. ***The cans may not be opened and dispensed at the marina.*** The cans must have a vent or release.

5.1.3 Storing fuel (including propane) on the slips, docks, walkways, or common areas is not allowed.

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6.0 Insurance

6.1 Mandatory Boater's Insurance

All shareholders and tenants at Castaways Marina shall have current insurance on their boats. ***There are no exceptions to these rules.***

6.1.1 Shareholders and tenants must have insurance before they can slip their boats and vessels in the Spring. Boats that remain in the water through the winter season must have year-round insurance coverage.

6.1.1.1 New shareholders or tenants that arrive through out the year shall not be allowed to slip their vessel until they provide proof of insurance to the Board.

6.1.1.2 Shareholders that sub-lease their slip during winter or summer months are reminded that their tenants are subject to these rules without exception. Shareholders may be evicted from the Marina if their tenants cannot provide proof of insurance as indicated in this section.

6.1.2 The minimum acceptable coverage is for \$500,000.00 for Bodily Injury and Property Damage Protection. (Increased from \$300,000 in February 7, 2009)

6.1.3 Proof of insurance is due at the same time the annual maintenance fee is due. A copy of the member's Certificate of Insurance ***shall be sent*** to the Board's Secretary each spring prior to or at the same time the maintenance fee is paid. The coverage shall be for the boating season ***unless*** the member plans to winter over in which case the coverage shall be for 12 months.

6.1.4 The Secretary shall record the status of member's insurance and report delinquencies to the Board of Directors. In cases where members fail to produce proof of insurance, the Board of Directors shall commence the eviction of the vessel from the marina. Costs associated with the eviction process will be assessed to the Shareholder.

6.1.5 Each year the Board of Directors shall review the Liability limits set forth in this document, to see that it is of sufficient coverage.

6.1.6 All reasonable precautions will be taken by the Corporation to ensure the Boaters property and safety. However, the Corporation assumes no responsibility for safety of any boat or vessel docked in the Marina and will not be liable for fire, theft or damage to said boat or vessel, its equipment, or any property in or on said boat or vessel, however arising.

6.1.7 The Board of Directors or the Corporation cannot be held liable for falsified insurance documents.

6.2 Contractor Insurance

6.2.1 All contractors hired by the Board of Directors shall have insurance. The Board may hire employees from time to time who shall be covered under Castaway's Workman's Comp Insurance.

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7.0 Marina Facilities

7.1 Parking

7.1.1 Parking is provided at the Marina for shareholders, tenants and their guests. The Marina has Handicap parking. The designated parking areas are as follows:

7.1.1.1 Main parking lot at Doffing Ave.

7.1.1.2 The north lot.

7.1.1.3 The Dike Wall areas

7.1.2 As a courtesy to others, boaters that will be gone over the weekend are urged to park in the Doffing or north lots and not on the dike wall.

7.1.2 Parking restrictions.

7.1.2.1 There is no parking in front of the dumpster.

7.1.2.2 There is no parking in loading zones

7.1.2.3 Vehicles must not extend beyond the parking lines on the Dike Wall. This includes protrusions or supplies that may extend from the vehicle.

It is extremely important to keep the Dike Wall Road open and free of obstructions in case emergency response vehicles need to pass. Also, obstructions from vehicles are hard to see at night and may cause personal injury.

7.1.2.4 Motor homes or campers are not allowed to park on the Dike Wall.

7.2 Storage at the Marina

7.2.1 Up to 15 small craft trailers may be stored in the North Lot during the normal boating season. Shareholders shall request a storage spot from the Board of Directors on a first come first served basis at the beginning of each boating season. During the Winter season small craft on trailers may be stored in the main parking lot as permitted by the Board.

7.2.2 Marina buildings, parking lots, and grounds are not to be used as storage for Shareholder and tenant vehicles, household goods, supplies or equipment. However, the Board of Directors may grant temporary storage to Shareholders and Tenants upon request. Rental storage space is available in the Marina Storage Building,

8.0 Marina Rules

8.1 Endorsement by Shareholders

8.1.1 These rules, when a copy thereof has been furnished to the Shareholders and Tenants of Castaways Marina, Inc. become binding.

8.1.2 Non-shareholders are subject to all rules listed for shareholders.

8.2 Alterations, Amendments, and Repeals

8.2.1 These rules are intended to govern the operation and safety of the Marina. These rules may be altered, amended or repealed from time to time by the Board of Directors.

8.2.2 Shareholders or Tenants may make suggestions to change the Operating Rules and Procedures as follows:

8.2.2.1 By submitting an **Improvement Idea or Operating Rules and Procedures Change Request Form** (at the back of this document) to the Board of Directors. This is the only option for Tenants.

8.2.2.2 By requesting a rule change be put on the agenda at the annual shareholders meeting. Use the **Improvement Idea or Operating Rules and Procedures Change Request Form** (at the back of this document)

8.2.2.3 By requesting a special shareholder's meeting pursuant to the Bylaws Article 1 Section 3.

8.3 Violations

8.3.1 Violators of these rules shall be informed verbally or in writing by the Board of Directors. The Board shall inform members of minor violations verbally and more serious or repeated violations in writing.

8.3.1.1 If informed verbally, the Shareholder or Tenant must perform the action indicated by the Board of Directors to correct the problem. The Board may indicate a cut-off date, especially in cases that have to do with safety or marina property. The Shareholder or Tenant must indicate verbally or in writing to a board member that the remedy action has been accomplished. If the person fails to perform the action within the prescribed timeframe, the Board shall issue a written violation.

8.3.1.2 If necessary to inform in writing, the Board shall use the **Notification of Violation of Castaway's Marina Rules and Regulations Form** (at the back of this document). Other amplifying information may be attached to the form. A record shall be kept of written violations.

8.3.2 The Board may impose fines, penalties, assessments, or other specific actions to correct or remedy the violation. In cases of extreme violations or continued repeated violations, the Board may find it necessary to evict the Tenant or revoke the Shareholder's Lease Rights.

8.4 Grievance Process

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8.4.1 Shareholders and Tenants that receive a written violation notification from the Board of Directors have the right to grievance/appeal.

8.4.1.1 Shareholders that wish to appeal shall use the ***Notification of Violation of Castaway's Marina Rules and Regulations Form*** (at the back of this document). The appeal process is shown on the back of the form. By submitting an appeal the Shareholder agrees to arbitration and is responsible for the fees associated thereto.

9.0 Marina Utilities, Services and Fees

For the convenience and safety of Shareholders and Tenants, the Marina provides water, pump-out, trash, electricity, and propane services. Phone and TV cable services are optional.

9.1 Water

9.1.1 The Marina will provide water service starting on or about April 15th and discontinue on or about October 15th of that same year or as directed by the Board of Directors.

9.1.2 WATER REGULATION - Each boat that is attached to the Marina water system, directly or indirectly, shall be fitted with a water pressure regulation device. That device shall regulate the inlet water pressure entering the boat to a pressure not to exceed 40 P.S.I. (pounds per square inch).

9.1.3 WATER SHUT OFF - Each boat that is connected to the Marina water system, directly or indirectly, shall be fitted with a shut off device. This device shall be located in an area of easy access. In the event the boat is unattended, for periods of twenty-four (24) hours or more, the water supply to the boat shall be shut off.

9.2 Pump-out Service

9.2.1 The Marina will provide a pump out service that shall be used for all black water disposal. Under no circumstances will Shareholders, Tenants, or Guests pump raw sewage (black water) overboard.

9.2.2 Shareholders and Tenants must be trained on the proper use of the pump-out system to preclude damage to the system and/or their vessel. Training shall be provided to each Shareholder and Tenant.

9.2.3 Charges for this service are automatically included in the annual maintenance fee.

9.3 Trash Service

9.3.1 The Marina will provide trash service. The Dumpster at the Doffing Street Parking lot is the only authorized location to dispose of trash. Charges for this service are automatically assessed in the annual maintenance fee.

9.3.2 Owners and their guests shall not throw or discharge from any boat cans, bottles, refuse, waste, oil, raw sewage or any other inappropriate material into the Marina waters that might violate any government or Coast Guard Rules.

9.4 Electrical Service

9.4.1 All connections to Marina electrical sources meet USCG requirements and applicable electrical code.

9.4.2 Any changes of Electrical Wiring or Electrical Service to a shareholder's slip must be in writing from the Board of Directors.

9.4.3 The cost of increased electrical power and outlets beyond electrical service provided by the Marina and installation of same is the responsibility of the Shareholder and must have the approval of the Board of Directors.

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9.4.4 Castaways Marina shall purchase electrical power in bulk rate and distribute it to each slip. Each slip's electrical charge will be based on the bulk rate per kilowatt for that year (there will no monthly basic meter charge for each slip).

9.4.5 Each slip will be fitted with an electrical metering device to determine how much power, provided by the Marina, is consumed by that service. This meter will be read at the beginning and the end of that boating season.

9.4.6 Each shareholder or tenant will make payment in advance, as determined by the shareholders, for electrical power provided by the Marina. This payment will cover a period of one year. As determined by the meter readings the shareholder or tenant will be billed for only that power used. A credit for unused power or billing of additional used power will be issued to the shareholder or tenant based on how much advance payment was made the previous year.

9.4.7 A charge for repairing electrical boxes, due to overload or improper hookup will be assessed to the responsible party.

9.5 Propane Service

9.5.1 The Marina shall provide propane service.

9.5.2 Each boat that wishes to connect to the propane line must have an approved gas meter. Each boat will also be assessed a one time hook-up fee payable to the Marina.

9.5.3 The connection from the main line to the boat must meet the applicable city safety code and Marina Operating Rules and procedures. **An excess flow fitting and quick-disconnect pull apart fitting must be used.** Connections from the main line to the vessel are the responsibility of the Shareholder or Tenant.

9.5.4 The Winter Committee and Dockmaster are responsible for verifying and monitoring the connections to each vessel.

9.5.5 Prior to turning on the gas to a vessel, the Winter Committee shall inspect the gas connection. They shall use the standards established by the licensed gas provider and the Minnesota Office of Pipeline Safety. The results of the inspection shall be forwarded to the Board of Directors. Shareholders or Tenants that do not pass the inspection will not receive gas service.

9.5.6 On or about August/September, the Winter Committee shall request the list of Shareholders and Tenants that wish to winter over. Based on the estimated need, the Treasurer or other Officer shall negotiate a pre-buy from the licensed gas provider. The pre-buy insures that boaters will receive the best gas rate for the winter season. Boaters that desire to winter over after the pre-buy shall be required to pay the prevailing rate for propane. __

9.6 Phone Service

9.6.1 Each slip is equipped with a phone connection. The Shareholder or Tenant is responsible for all fees associated with initial hookup and use of this service.

9.7 Cable TV Service

9.7.1 Each slip is equipped with a cable TV connection. The Shareholder or Tenant is responsible for all fees associated with initial hookup and use of this service.

9.8 Maintenance Fee and Purchasing Benefits

9.8.1 Marina Maintenance Fee and Electrical Power Fee will be due in full on a date as the Board of Directors may designate for each boating year. This fee is advance payment of operating and electrical cost of the Marina for the boating year (from February 1st of that year to January 31st of the following year). The Maintenance Fee and Electrical Power Fee may vary from year to year and will be determined by the Shareholders. These fees shall be presented to the shareholders by either mail or a Shareholder's meeting. If an unforeseen operating cost should arise during the boating year, that affects the operation of the Marina, a Special meeting of the shareholders shall be called to determine how payment shall be made.

9.8.2 All Maintenance Fees, Tarp Fees, Electrical Fees, Rent, Bills or any other monies due and owed to the Lessor, hereunder this agreement, are due and payable at the time or date listed. The covenants of the Lessor herein contained are subject to the discretionary power of the Board of Directors to determine, from time to time, to allow an extension period for monies owed the Lessor, but shall not be required to do so.

9.8.3 All invoices for annual maintenance fees and special assessments are due on May 1. A penalty of 10% (\$200 maximum) will be assessed for payments received after May 31. Thereafter, a finance charge of 1 ½% per month will be assessed at the end of each month on the unpaid balance. Invoices will be mailed or electronically mailed to shareholders no later than April 1. All other invoices (for example: propane, winter fees, trailer fees, etc.) are due thirty (30) days from the date of the invoice. The 1 ½ % finance charge will be assessed on the unpaid balance if payment is not made within thirty days. (As amended by the Shareholders, 2/14/15)

9.8.4 All Maintenance Fees, Tarp Fees, Electrical Fees, Rent, Bills or any other monies owed to the Lessor by the Lessee, including any late charge, shall be paid in full prior to the Board of Directors approval of sale or transfer of shares or any sublease agreement associated with the boat slip of the lessee.

9.8.5 The failure of a shareholder to pay the Annual Maintenance Fee and electrical charges within ninety (90) days of invoice shall subject that shareholder to the termination of all marina services at the discretion of the Board of Directors. These services may include, but are not limited to, water, pump-out service, trash service, electrical service, and parking privileges.

9.9 Procedure to Sublease

9.9.1 All Sub Leases must be approved by the Board of Directors. All Sub Leasees must provide proof of insurance. See Section 6 of the documents for specific insurance requirements.

9.9.2 All shareholder maintenance and electrical fees must be paid before a sub-lease agreement can be approved by the Board.

9.9.3 The Shareholder shall take the following action:

9.9.3.1 Obtain three copies of the Boat Slip Sub-Lease Agreement Form (at the back of this document). Fill out all three and submit to the Secretary.

9.9.3.2 Obtain one copy of the latest version of these Operating Rules and Procedures from the Secretary. Provide to the prospective tenant and have them sign the Acknowledgement

Castaways Marina Operating Rules and Procedures

Receipt of Castaways Marina Rules and Operating Procedures. Provide the signed receipt to the Secretary.

9.9.3.3 Submit proof of Tenant insurance to the Secretary.

9.9.4 The Board will not act on the sublease request until all the documents and requirements of section 9.9 are met and/or present. After the Board approves the sub -lease, the Secretary shall distribute one copy each to the Board, Shareholder, and Tenant.

9.9.4 Generally all of the above may be accomplished at one time by attending a Board meeting along with all the documentation from section 9.9.3 above. Submission may also be made by mail and will be acted upon at the subsequent Board meeting.

10.0 Safety

Safety is a paramount concern at Castaway's Marina. Responsible boaters enjoy the festivities of boating while always being mindful of safety.

10.1 Horseplay

10.1.1 No one is allowed to run, ride bicycles, or motorized vehicles, or engage in horseplay on slips or common walkways.

10.1.2 In order to comply with State, National and Insurance fire codes, the use of Hibachis or any type of portable charcoal or wood-fire cooking equipment shall be prohibited on any dock way or boat, berthed, moored or stored in the Marina.

10.1.3 All boats must meet minimum safety standards set up by the U.S.C.G. Boaters are encouraged to ask for a courtesy Coast Guard inspection at the beginning of each season.

10.1.4 The use of fire works is prohibited on any part of the Marina

10.1.5 Automobiles and other vehicles shall operate at 10 miles per hour or less. All trailers are to be parked in designated areas only.

10.1.6 TORNADO WARNING OR ALERT- In the event of a Tornado Warning or Tornado Alert (when sirens are sounded) it is recommended that persons on or near the Marina Docks, or in boats docked in the Marina, leave the Marina Docks and seek shelter on shore. Persons should return to the docks only after the weather condition has cleared.

10.1.7 No charters are to originate or terminate from the Marina. All boats conducting a charter business are to pick up and depart their guests at a location outside of the Marina.

10.1.8 Boaters agree to observe additional regulations posted if they become necessary

Castaways Marina Operating Rules and Procedures

11.0 Slips and Dock Areas

11.1 General Responsibilities and Rules

11.1.1 Shareholders, tenants or guests, will be held accountable for damage they cause to any Marina property, docks or land.

11.1.1.1 Shareholders will be held accountable for the damage caused by their guests and Tenants.

11.1.2 Boaters shall not place supplies, materials or debris on walkways or docks and shall not construct thereon any locker, chest or cabinet except with the written permission of the Board of Directors.

11.1.3 Shareholders and Tenants shall not add to, take away from or alter in any manner, without written permission from the Board of Directors, their slips or adjacent dock ways or electrical and/or water service facilities.

11.1.4 Shareholders and lessees shall not permit accumulation of debris, refuse or unsightly materials on their slips or common dock ways.

11.1.5 No carpeting will be allowed on any surfaces of the docks, including the sides or spud poles. However, spud pole tubes may be carpeted with approved carpeting (see the Dock Master).

11.1.6 Common dock ways shall be kept clear of obstructions such as electrical cords, water hoses, dock steps, etc.

11.1.7 SAFETY INSPECTION: The Dockmaster shall inspect docks, slips, and fingers; annually, immediately following flood conditions, and/or in cases where known damage has occurred.

11.1.7.1 The inspection shall include but is not limited to checking for:

- Loose or damaged floatation.
- Loose, splintered or damaged decking.
- Loose or damaged electrical box and/or connections or illegal or unsafe electrical connections or modifications.
- Loose or unsafe slip/dock cleats.
- Unauthorized changes or modifications to slips, fingers, docks, or boathouse frames.

11.1.7.2 The Dockmaster shall coordinate the inspection of each slip with the boater occupying the slip. Normally the inspection should be accomplished when the boat is gone from the slip.

11.1.8 Dock Cleats may be added at the expense of Shareholders or Tenants. They must be the same style of the existing cleats. Once installed, they become part of the dock and Marina property. relocation of the original cleats is permitted so as to accommodate various boat configurations. Boaters shall tie to cleats instead of stub posts, pilings, or the neighbors cleats.

Castaways Marina Operating Rules and Procedures

12.0 Swimming and Fishing

12.1 Rules

12.1.1 No swimming or water sports are allowed from any Marina supported facility

12.1.2 Fishing is only allowed by shareholders, lessees and their guests, and only when it does not interfere with boat traffic or passageway of common dock ways.

Castaways Marina Operating Rules and Procedures

13.0 Waiver

13.1 Waiver

13.1.1 Failure of the Lessor to insist, in any one or more instances, upon a strict performance of any of the provisions of these "Marina Operating Rules", or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provision, options or rights, but such provision option or right shall continue and shall remain in full force and effect.

13.1.2 The receipt by the Lessor of Maintenance Fee, Electrical Fee, rent or any monies due, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Lessor of any provision hereof shall be deemed to have been made unless" in a writing expressly approved by the Board of Directors of the Lessor.

Castaways Marina Operating Rules and Procedures

14.0 Wintering Over

"Wintering Over" is a term used to describe those boaters that choose to leave their boats in the water during the winter season (November 1st through March 31st). The Marina's ability to support Wintering Over is yet another desirable feature that adds to the property value. Wintering Over requires boaters to exercise advanced planning, cooperation, and support. The Winter Committee takes the lead on all issues relating to Wintering over.

14.1 Services, Fees, and Planning

14.1.1 The Winter Committee shall meet prior to the winter season and coordinate all wintering over preparedness. This includes but is not limited to propane service, trash service, snow removal, fresh water, pump-out service, and any other services associated with wintering over.

14.2 Wintering Over Rules and Requirements

14.2.1 Understand, abide by, and be accountable for all the Operating Rules and Procedures in this document.

14.2.2 Have a bubbler or aerating device. Have a backup plan in case of unit failure.

14.2.3 Meet the insurance requirements in Section 6 of this document.

14.2.4 If using a propane furnace, meet the requirements of Section 9.5 of this document.

14.2.5 Kerosene or other non-venting fuels heating systems are prohibited. Coal, wood, or other Class "A" material combustible stoves and furnaces are prohibited.

14.2.6 Dock ways, fingers, and the Dike Wall Road shall be plowed to allow for emergency response vehicle access.

14.2.7 Members that will be gone from the area shall leave an emergency phone number with a Winter Committee member. It is also recommended that they leave a vessel key a Winter Committee member for emergency purposes.

14.2.8 Shareholders and Tenants shall occupy their own slips during the winter. Occupying a different slip requires written permission from the Shareholder of record of that slip.

14.2.9 The Sub Leasing Rules of Section 9.9 apply for the winter (and summer) season.

14.2.10 Boats shall be operational and ready for movement in the cases of an emergency.

FORMS

Castaways Marina Operating Rules and Procedures

Acknowledgement Receipt of Castaway's Marina Operating Rules and Procedures

By my signature below, I have read and understand the Castaways Marina Operating Rules and Regulations.

By my signature below, I agree to abide by the Castaways Marina Operating Rules and Regulations.

Slip Number _____

Lessee (1) Print Name: _____

Lessee Signature: _____ Date _____

Lessee (2) Print Name: _____

Lessee Signature: _____ Date _____

Notification of Violation of Castaway's Marina Operating Rules and Procedures

Purpose: This form shall be used by the Board of Directors to inform a Shareholder or Tenant in writing of violations to the Operating Rules and Procedures.

Date: _____

From: The Board of Directors

To (Shareholder and/or Tenant): _____

Slip Number _____

Record Number: _____

This is to advise that you have violated the following Operating Rule(s) or Procedure(s):

Remedy/action(s) to be taken by the Shareholder or Tenant:

From: (Shareholder or Tenant): _____

To: The Board of Directors:

Date: _____

I have taken the following action(s) to accomplish the remedy above: (Fill in this section if you do not wish to appeal):

Appeal Process: If you wish to appeal the violation or remedy use the grievance procedure on the back of this form.

CASTAWAYS MARINA

Complaint/ Grievance Procedure

Should any shareholder or tenant have a disagreement, complaint or grievance arising from the interpretation or application of the Marina Rules, or from any action taken by the Shareholders or Board of Directors, or from any penalty or fine imposed by the Board of Directors, he or she must seek redress through the following exclusive procedure.

Step 1

The aggrieved shareholder or tenant may register an informal, verbal complaint with any member of the Board of Directors. That Director shall attempt to resolve the issue informally and, if necessary, refer the matter to the appropriate officer of the corporation. The officer or director shall communicate a verbal decision to the aggrieved shareholder or tenant within five (5) days.

Step 2

Should the aggrieved shareholder or tenant deem the above Step 1 decision unsatisfactory or insufficient, he or she must submit a written statement of the grievance to the Board of Directors. This written grievance will be considered at the next regularly scheduled meeting of the Board of Directors. The complaining shareholder or tenant shall be entitled to personally appear at this meeting but is not required to do so. The Secretary of the Board shall submit the Board's answer in writing within five (5) days of the meeting.

Step 3

Should the shareholder or tenant reject the Board's Step 2 decision, he or she shall have the right to demand that the disputed issue be submitted to an arbitration panel for final and binding arbitration. The demand for arbitration must be submitted to the Board, in writing, within ten (10) days of receipt of the Step 2 decision or the complaint will be deemed withdrawn or abandoned.

Arbitration

A tri-partite arbitration panel shall resolve all disputes under this procedure. The aggrieved shareholder or tenant shall select any individual he or she desires to serve on the panel. The Board shall select a second individual to serve on the panel. The shareholder appointed and Board appointed arbitrators shall thereafter meet and select the third member of the panel who shall serve as Chair. A tenant or shareholder may elect, at his or her own expense, to be represented by an Attorney. However, should the shareholder or tenant choose to be represented in the arbitration proceeding by a non-attorney or by him or herself, the Board may not be represented by an attorney in the arbitration proceeding. The decision of the arbitration panel shall be by majority vote and issued in writing. Should there be any dispute over the conduct of the proceedings, the rules of the American Arbitration Association shall apply.

The expenses and fees of the Neutral Chairman of the Arbitration Panel shall be divided equally between the parties.

Improvement Idea or Operating Rules and Procedures Change Request

Purpose: Shareholders and Tenants may use this form to communicate (to the Board of Directors) an improvement idea or change to the existing Operating Rules and Procedures.

Date: _____

From Shareholder/Tenant: _____

To: The Board of Directors

I would like to submit the following improvement idea or change to the existing Operating Rules and Procedures. (attach supporting documentation if necessary).

Action taken by the Board (voting results, plan or other):

Secretary or Acting Designate: _____

Date: _____

Copy to: Originating Shareholder or Tenant

Recognition/Appreciation of another Member, Tenant, or Visitor

Purpose: This form shall be used by the Shareholder or Tenant to advise the Board of Directors and all membership of another Shareholder, Tenant or Guests, good deeds or actions

Date: _____

From: (Shareholder or Tenant) _____

To: The Board of Directors

I would like the Board to recognize the efforts of

_____.

Indicate the actions or circumstances that warrant the board's recognition.

Board Action:

The Board shall include a copy of this sheet with the Board Minutes and distribute to shareholders.

Castaways Marina Operating Rules and Procedures

Notify the Board of Violations or Safety Concerns

Purpose: This form shall be used by the Shareholder or Tenant to advise the Board of Directors of a violation of the Operating Rules and Procedures or safety concern.

**Mail to: Castaways Marina
P.O. Box 477
South St Paul, MN 55075**

From: (Shareholder or Tenant) _____

To: The Board of Directors

I would like to advise the Board of the following Operating Rules and Procedures violation or safety concern:

Signature : _____
(unsigned requests will not be acted upon)

Date: _____