

COWPET BAY WEST - AMENDED DOCUMENTATION

Table of Contents

	<u>Page</u>
<u>Declaration re merger</u>	1 - iv
<u>By-Laws</u>	
Plan of Apartment Unit Ownership	1
Board of Directors	2
Unit Owners	13
Officers	17
Operation of the Property	19
Mortgages	33
Sales and Mortgages of Units	34
Condemnation	37
Records	38
Miscellaneous	38
Amendments to By-Laws	40
Execution of Instruments and Seal	41
Conflicts	41
Exhibit I, Rules and Regulations	A - D

DECLARATION OF COWPET BAY WEST
(formerly Cowpet Bay Village, Stages I and II)

DECLARATION ESTABLISHING A PLAN OF WORKING
AGREEMENT BETWEEN STAGES ONE AND TWO COWPET
BAY VILLAGE CONDOMINIUM

367
1974

WHEREAS, on October 31, 1968, the TRACY LEIGH DEVELOPMENT CO. submitted a DECLARATION OF COWPET BAY CONDOMINIUM STAGE ONE, providing for condominium structures on certain land on the Island of St. Thomas, Virgin Islands, said property hereinafter referred to as "STAGE ONE", said DECLARATION being recorded on October 31, 1968, in the Office of the Recorder of Deeds, St. Thomas, Virgin Islands, at Book 92, page 125.

WHEREAS, on September 19, 1969, the TARA WALKER CORPORATION submitted a DECLARATION OF COWPET BAY CONDOMINIUM STAGE TWO, providing for condominium structures on certain land on the Island of St. Thomas, Virgin Islands, said property hereinafter referred to as "STAGE TWO", Cowpet Bay Condominium, said Declaration being dated September 19, 1969 and recorded on September 21, 1969, at the Office of the Recorder of Deeds, St. Thomas, Virgin Islands, at Book 11B, page 330.

WHEREAS, two thirds of the owners of property or units located in STAGE II approved at a meeting called for that purpose on March 16, 1972, a merger combining Stages One and Two into one condominium complex known as "COWPET BAY WEST", legal notice having been satisfied under the requirements of the By-Laws of "STAGE TWO".

WHEREAS, two thirds of the owners of property or units located in STAGE ONE approved at a meeting called for that purpose on March 15, 1973, a merger combining Stages One and Two into one condominium complex known as "COWPET BAY WEST", legal notice having been satisfied under the requirements of the By-Laws of STAGE ONE.

WHEREAS the said merger is intended only to accomplish the following five (5) objectives:...

- (1) Create one owners' association in substitution of the two existing associations;
- (2) Change of name;
- (3) Continue weighted voting in the Association's matters;
- (4) Adopt new By-Laws for the new Association supplanting the existing two sets of By-Laws;
- (5) Change resident agent for service of process;

all other rights and responsibilities of the unit owners, their heirs, distributees, successors and assigns, whether real or personal, tangible and intangible, legal or equitable to remain and to be in full force and effect as heretofore and as set forth in the existing and recorded Declarations.

NOW, THEREFORE, for their mutual advantage and in consideration of their common interests, the unit owners of COWPET BAY CONDOMINIUM STAGE ONE and COWPET BAY CONDOMINIUM STAGE TWO amend the Declarations and By-Laws of the said Stages now on file in the Office of the Recorder of Deeds, St. Thomas, U.S. Virgin Islands, as follows:

1. That the existing designation of Stages One and Two be changed to Cowpet Bay West, encompassing all the units presently constituting the two stages;

2. That the existing two associations of unit owners be combined into one association to be the governing body for all of said units;

3. That in all matters requiring voting by the unit owners, each unit of the total one hundred two (102) units shall be entitled to vote in as closely as possible to the same ratio as existed in the former Stages One and Two. That is, the two-bedroom apartments that make up in excess of two-thirds ($2/3$) of all apartments shall have identical votes whether in former Stage One or Two.

The three-bedroom apartments in both stages shall carry the same greater voting rights such as existed in former Stage Two. The two-bedroom plus loft, four-bedroom, and three-bedroom plus loft apartments shall vote in the same ratio as they did (to the two-bedroom apartments) in Stage Two.

The Board of Directors shall be empowered to resolve any minor inequities in voting percentages in the event any result from the merger. However, it is understood and agreed that this voting arrangement in no way affects or changes the property rights or responsibilities of the owners of the units as presently existing and set forth in the recorded Declarations.

4. That the combined association of unit owners be governed by new By-Laws, a copy of which is attached hereto and made a part hereof, supplanting the existing two sets of By-Laws.

5. That the resident agent for service of process shall be the law firm of Bailey, Wood & Rosenberg, Esq., Professional Building, St. Thomas, Virgin Islands (P. O. Box 1279, zip code 00801).

RECORDED AND INDEXED IN THE RECORDER'S OFFICE FOR THE DISTRICT OF ST. THOMAS AND ST. JOHN, VIRGIN ISLANDS OF THE U.S.A.
BOOK 16-B, PAGE 77 SUB NO. 367, AND ENTERED IN THE REAL (PERSONAL) PROPERTY REGISTER FOR _____
QUARTER NO. _____ (AUXILIARY)
21 PAGES 1+45
DATE: October 22, 19 74
E. Lisa Viale
DISTRICT RECORDER OF DEEDS

RECEIVED FOR RECORDING AT THE RECORDER'S OFFICE
ON THE 22nd DAY OF Oct 19 74 AT 4:00
O'CLOCK P^M
E. Lisa Viale
DISTRICT RECORDER OF DEEDS

BY-LAWS OF COWPET BAY WEST

Cowpet Bay

St. Thomas, Virgin Islands

ARTICLE I

Plan of Apartment Unit Ownership

Section 1. Apartment Unit Ownership: The property located at Parcel No. 8 - 1 - 2 Estate Nazareth, No. 1 Red Hook Quarter, St. Thomas, Virgin Islands, heretofore designated as "Cowpet Bay Village, Stage One", and the property located at Parcels Nos. 8-1-4, 8-1-5, and 8-1-6, Estate Nazareth, No. 1 Red Hook Quarter, St. Thomas, Virgin Islands, heretofore designated as "Cowpet Bay Village, Stage Two", has been submitted in a joint Declaration establishing a merged association under the provisions of Chapter 33, Title 28 of the Virgin Islands Code, known as the "Condominium Act of the Virgin Islands", said Declaration being recorded simultaneously herewith with these By-Laws in the Office of the Recorder of Deeds of St. Thomas and St. John, Charlotte Amalie, St. Thomas, Virgin Islands, and which Condominium shall hereinafter be known as "COWPET BAY WEST", (hereinafter called the "Condominium").

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings, and all other improvements thereon (including the apartment units and the common areas and facilities), owned, including simple absolute,

367(a)
1974

and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Chapter 13, Title 28 of the Virgin Islands Code.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of apartment units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of an apartment unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office. The office of the Condominium and of the Board of Directors shall be located at Cowpet Bay Village, Parcels Nos. 8 - 1 - 2, 8-1-4, 8-1-5 and 8-1-6, Estate Nazareth, No. 1 Red Hook Quarter, St. Thomas, Virgin Islands.

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors. Until one year after units representing 75% in common interest shall

have been sold by the Sponsors of the Condominiums (Tracy Leigh Development Corporation and Tara Walker Corporation) and shall have been paid for, and thereafter until their successors shall have been elected by the unit owners, the Board of Directors shall consist of such of the officers and the members of the Board of Directors of the Sponsors as shall have been designated by the Sponsors. Thereafter the Board of Directors shall be composed of nine persons, all of whom shall be owners or spouses of owners or mortgagees of apartment units, or, in the case of partnership owners or mortgagees, shall be members or employees of said partnership, or in the case of corporate owners or mortgagees, shall be officers, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common areas and facilities.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of the common charges (which for the purpose of these By-Laws shall mean such portion of the common expenses as are payable by the respective unit owners) from unit owners.

- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.
- (e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property.
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, apartment units offered for sale or surrendered by their owners to the Board of Directors.
- (h) Purchasing of apartment units at foreclosure or other judicial sales in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners.
- (i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with apartment units acquired by, and subleasing apartment units leased by the Board of Directors, or its designee, corporate or otherwise, on behalf of all unit owners.
- (j) Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing of apartment units on behalf of all unit owners.
- (k) Obtaining of insurance for the Property, including the apartment units pursuant to the provisions of Article V, Section 2 hereof.
- (l) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors

shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (k) and (l) of Section 2 of this Article II. The Board of Directors may delegate to the manager or managing agent, all of the powers granted to the Board of Directors by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i) and (j) of Section 2 of this Article II.

Section 4. Election and Term of Office. Each director shall be elected to serve a term of three years. Three directors will be elected each year; only one-third of the Board of Directors shall stand for election each year.

At the first Annual Meeting of Owners of the Merged Associations (constituting formerly Cowpet Bay Village Stages One and Two) three directors will be elected for regular three-year terms; three additional directors will be elected for a special two-year term, and the final three directors will be elected to serve only one year. If a special meeting to consummate the merger is held before March 1, 1974, then the Board of Directors will be elected at such meeting, and not repeated in March 1974, as stated in Article III, Section 1.

Thereafter, three directors will be elected each year to fill the expiring terms of three directors, such directors serving for individual terms of three years each. Where a vacancy was filled by vote of a majority of the remaining members of the Board, as provided in Section 6, that person shall be a member until the next Annual Meeting, at which time the unit owners shall elect the replacement for the remainder of the original term, if any.

Each director shall be elected by the vote of a majority of unit owners, as hereinafter defined in Section 9 of Article III. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any members of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next Annual Meeting of the unit owners. At that time a director shall be elected to serve the remainder of the term of the original vacating director.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors shall be held immediately

following the Annual Meeting of the unit owners, at such time and place as shall be fixed by the unit owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat. If it is not possible to hold such first meeting of the new Board immediately, then it shall be held as soon as possible and proper notice shall be given each director, as for any special meeting of the Board of Directors.

Section 8. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors by mail or telegraph, at least ten (10) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President upon five (5) business days notice to each member of the Board of Directors, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjournment at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual wilful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Property unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Property. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to all such interest. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Property shall provide that the members of the Board of Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners) and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to all such interests.

Section 15. Executive Committee. The Board of Directors, by resolution passed by a majority of the entire Board, may designate at the Organization Meeting or anytime thereafter, three members of the Board to constitute an Executive Committee. The Executive Committee shall make recommendations to the Board of Directors, and when the Board is not in session may, to the extent that the committee deems necessary, exercise the powers of the Board in the management of the business and affairs of the Association; and it shall have the power to authorize the seal of the Association to be affixed to all papers which may require it.

The Executive Committee shall keep records of all its proceedings and shall report same to the Board of Directors, and its individual members, in writing within a reasonably short period of time after each significant action and after all meetings.

The Board of Directors, by resolution passed by a majority vote of the entire Board at any time, may change the members of, may fill vacancies in, or may discharge, the Executive Committee.

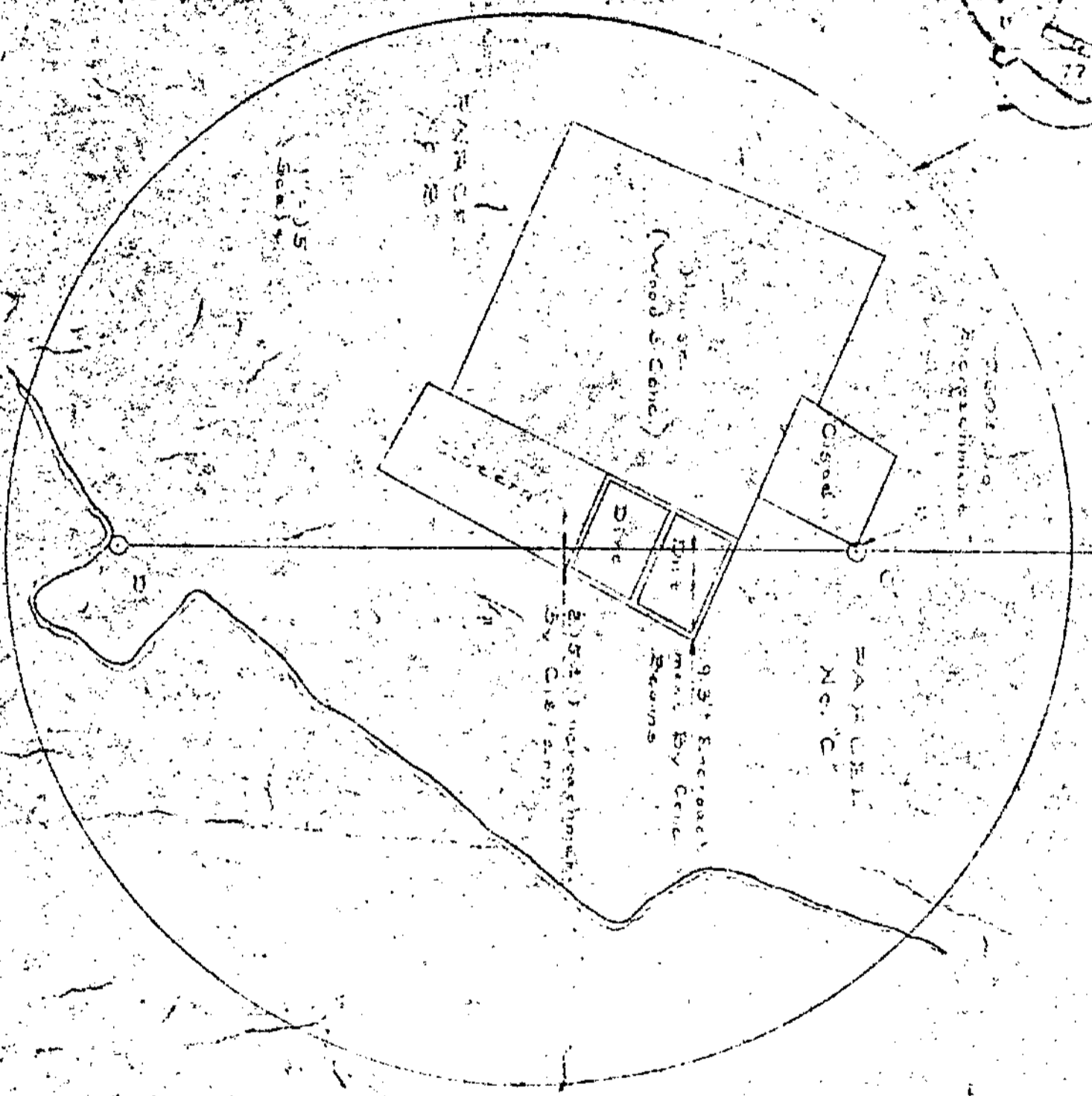
Two members shall constitute a quorum of the Executive Committee. The act of a majority of the members at any meeting at which there is a quorum shall be the act of the Committee. The Board of Directors shall establish rules of procedure for the Committee governing, but not limited to, such items as notice and powers. The Board shall designate a member of the Committee as Chairman who then shall be responsible for holding and reporting said meetings.

The purpose of the Executive Committee is to control the day-to-day management of the Association. The Board of Directors from time to time will define such authority but specifically retains for itself the authority to, as itemized in Section 2, (b), (e), (h), (i) and (j). In addition, the Board shall retain the right to appoint the Manager or managing agent, fill vacancies in the Board and generally retain the right to propose changes in the Rules and Regulations, and acquire property or merge the Association into another.

Section 16. Inspection by Executive Committee. The Executive Committee shall make a detailed inspection of the Association property (including easements) and procedures at least twice a year and in the company of the Manager or managing agent. The purpose of such inspections will be to (a) obtain a better understanding of the job being performed by the Manager and his staff; and (b) make suitable recommendations for possible future actions.

Items to be investigated include, but are not limited to, the sewage plant, roads, beach, roofs, all common areas, water systems, landscaping, all personal property, as well as accounting and other systems employed. As soon as possible after each such semi-annual inspection the Committee will report its findings and recommendations to the individual members of the Board of Directors.

Section 17. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting, if a written



11-15
(Spa)

11-15
(Spa)

Dining Hall
(Wood S. Camp)

Cafeteria

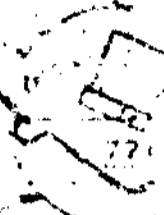
DIVE

9.31' Enclosure
Ment. Ex. Cell
Stairways

(S.S.A.) near east boundary
by C.I.E. (S.A.M.)

FARM CELL
Mc. C.

CAMP



11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

11-15
(Spa)

2
Y
Y

Road

House

OK

1959
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

USCGS
76110

100

100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

1959
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

consent thereto is signed at any time by all members of the Board of Directors or of such committee as the case may be, and such written consent is filed with the Minutes of proceedings of the Board of Directors or Committee.

Section 18. Nomination of Directors. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the Annual Meeting or other meeting at which directors shall be elected. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each Annual Meeting of Owners, to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

For nominations to the first Board of Directors to be elected at the consummation of the merger, the Boards of Directors of former Stages I and II shall direct one or more of their members to assemble and propose a suitable group of candidates to stand for election. In performance of their duties such Board members shall consult with each and every director of Stages I and II, as well as many unit owners as possible who are not directors, so as to ensure a representative group of candidates.

ARTICLE III

UNIT OWNERS

Section 1. Annual Meetings. The Annual Meetings of the unit owners shall be held at any time during the month of March of each year. The day and time selected shall be in the discretion of the Board of Directors. A special meeting shall be held in conjunction with consummation of the merger of Cowpet Bay Village Stages I and II to approve changes in the Declaration and By-Laws and to elect the new Board of Directors, if the merger is completed before March 1, 1974.

Directors elected then shall individually serve for such periods of time as if they had been elected at the regular Annual Meeting in March 1974. However, a regular Annual Meeting of unit owners shall be held in March 1974 to conduct ordinary business, including reviewing the prior year's financial results, except that directors will not be subject to election at this time. Directors shall be next elected in March 1975.

At all such Annual Meetings, and any special meetings at which directors are elected by the unit owners, the Board of Directors shall be elected by ballot of unit owners in accordance with the requirements of Section 4 of Article II of these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting. Meetings of the unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than 25% in common interest, in the aggregate, of unit owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the unit owners at least ten but not more than thirty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice. The Board of Directors may assign the task of providing notice to unit owners to a person other than the Secretary.

Section 5. Adjournment of Meetings. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of Minutes of preceding meeting
- (d) Reports of officers
- (e) Report of Board of Directors
- (f) Reports of committees
- (g) Election of inspectors of election
(when so required)
- (h) Election of members of the Board of
Directors (when so required)
- (i) Unfinished business
- (j) New business.

Section 7. Title to Apartment Units. Title to apartment units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 8. Voting. The owner or owners of each apartment unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such apartment unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the unit owners and (those constituting a group acting unanimously) may vote or take any other action as a unit owner either in person or by proxy. The total number of votes of all unit owners shall be

NO. 52189

Form 1

State of New York }
County of Kings }

ss.:

I, ANTHONY N. DURSO, Clerk of the County of Kings, and also Clerk of the Supreme Court for the said County, the same being a Court of Record, having a seal, DO HEREBY CERTIFY, That

C. Reginald Scott

whose name is subscribed to the deposition, certificate of acknowledgment or proof of the annexed instrument, was at the time of taking the same a NOTARY PUBLIC in and for the State of New York; that pursuant to law a commission, or a certificate of his appointment and qualifications, and his autograph signature, have been filed in my office; that as such Notary Public he was duly authorized by the laws of the State of New York to administer oaths and affirmations, to receive and certify the acknowledgment or proof of deeds, mortgages, powers of attorney and other written instruments for lands, tenements and hereditaments to be read in evidence or recorded in this State, to protest notes and to take and certify affidavits and depositions; and that I am well acquainted with the handwriting of such Notary Public, or have compared the signature on the annexed instrument with his autograph signature deposited in my office, and believe that the signature is genuine.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said Court and County this

day of *Anthony N. Durso* 19

Clerk

SEP 18 1974

131A

100,000 and each unit owner (including the Sponsor and the Board of Directors, if the Sponsor shall then own, or the Board of Directors, or its designee, shall then hold title to one or more apartment units) shall be entitled to cast one vote at all meetings of the unit owners for each .001 per cent of interest in the common areas and facilities applicable to his or their apartment unit. A fiduciary shall be the voting member with respect to any apartment unit owned in a fiduciary capacity.

The Board of Directors shall be entitled to accept any vote or proxy if the owner or designated proxy individual is one of the owners of record of the apartment, and if there is no obvious defect on the face of such vote or proxy. It shall be the burden of the protester to offer satisfactory proof that the proffered vote or proxy is invalid and that his is the proper one.

Section 9. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those unit owners having more than 50% of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Sections 1 and 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having one-third (1/3) of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 11. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where, in the Declaration or these By-Laws, or by law, a higher percentage vote is required.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant secretary, an assistant treasurer, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Directors.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors at the Organization Meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

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

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Corporation Law of the Virgin Islands, including but not limited to the power to appoint committees from among the unit owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the Minutes of all meetings of the unit owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Corporation Law of the Virgin Islands.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall

be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Corporation Law of the Virgin Islands.

Section 8. Agreements, Contracts, Deeds, Checks, etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the unit owners

according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Insurance Trustee. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase by or lease to the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any apartment unit whose owner has elected to sell or lease such apartment unit to the Board of Directors, or of any apartment unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise all unit owners promptly in writing of the amount of common charges payable by each of them, respectively, as determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all unit owners and to their mortgagees.

Section 2. Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire Buildings (including all of the apartment units and the

bathroom and kitchen fixtures and air conditioning initially installed therein by the Sponsor, but not including any wall, ceiling, or floor decoration or coverings or other furniture or furnishings, fixtures or equipment installed by unit owners), together with all service machinery contained therein and covering the interest of the Condominium, the Board of Directors and all unit owners and their mortgagees, as interest may appear, in an amount equal to the full replacement value of the Buildings, without deduction for depreciation, each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of an apartment unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Directors and the Insurance Trustee hereinafter set forth; (2) Workmen's Compensation insurance; and (3) such other insurance as the Board of Directors may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$50,000.00 or less, shall be payable to the Board of Directors, and if more than \$50,000.00, shall be payable to the Insurance Trustee.

The amount of fire insurance to be maintained until the first meeting of the Board of Directors following the Annual Meeting of the unit owners shall be in at least the sum of \$900,000.00.

All policies of physical damage insurance shall to the extent obtainable contain waivers of subrogation and waivers of

any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of apartment units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of apartment units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain a qualified appraisal of the full replacement value of the Buildings, including all of the apartment units and all of the common areas and facilities therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine covering each member of the Board of Directors, the managing agent, the manager and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits once a year. Until the first meeting of the Board of Directors following the first Annual Meeting of the unit owners, such public liability insurance shall be in amounts not less than \$250,000/\$1,000,000 for claims for bodily injury and \$25,000 for claims for property damage.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

Section 3. Repair or Reconstruction after Fire or Other Casualty.

In the event of damage to or destruction of the Building(s) as a result of fire or other casualty (unless 66-2/3% or more of the Building(s) are destroyed or substantially damaged and 75% or more of the unit owners determine in accordance with the Declaration not to proceed with the repair or restoration), the Board of Directors shall arrange for the prompt repair or restoration of the Building(s) (including any damaged apartment units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling, or floor decorations or coverings or other furniture or furnishings, fixtures or equipment installed by unit owners in the apartment units), and the Board of Directors or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments. Any cost of such repair or restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

if 66-2/3% or more of the Building(s) are destroyed or substantially damaged and if within sixty (60) days of the date of such destruction or damage, 75% or more of the unit owners determine not to proceed with repair and restoration, the Property shall be subject to an action for partition at the suit of any unit owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration), then the excess of such insurance proceeds shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his apartment unit, in the order of priority of such liens.

Section 4. Payment of Common Charges. All unit owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Directors shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his apartment unit subsequent to a sale, transfer or other conveyance by him of such apartment unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. In addition,

any unit owner may, subject to the terms and conditions specified in these By-Laws, and subject to acceptance by the Board of Directors, provided that his apartment unit is free and clear of liens and encumbrances other than a permissible first mortgage and the statutory lien for unpaid common charges, convey his apartment unit, together with the "Appurtenant interests" to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed. A purchaser of an apartment unit shall be liable for the payment of common charges assessed against such apartment unit prior to the acquisition by him of such apartment unit, without prejudice to such purchaser's right, if any, to recover from the seller the amounts paid by the purchaser, except that a mortgagee or other purchaser of an apartment unit at a foreclosure sale of such apartment unit shall not be liable for and such apartment unit shall not be subject to a lien for the payment of a common charge assessed prior to the foreclosure sale.

Section 5. Collection of Assessments. The Board of Directors shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charges due from any unit owner which remains unpaid for more than thirty days from the date due for payment thereof.

Section 6. Default in Payment of Common Charges. In the event of default by any unit owner in paying to the Board of Directors the common charges as determined by the Board of Directors, such

unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common charges. All such unpaid common charges shall constitute a lien on such unit prior to all other liens except those specified in Section 922 of Chapter 33, Title 28 of the Virgin Islands Code. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such unit owner, or by foreclosure of the lien on such apartment unit granted by Section 922 of Chapter 33, Title 28, Virgin Islands Code.

Section 7. Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Board of Directors to foreclose a lien on an apartment unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his apartment unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Directors, acting on behalf of all unit owners, shall have power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges. The Board of Directors shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner.

Section 9. Abatement and Enjoinment of Violations By Unit Owners. The violation of any rule or regulation adopted by the Board of Directors or the breach of any of these By-Laws contained herein, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws:

(a) to enter the apartment unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10. Maintenance and Repair. (a) All maintenance of and repairs to any apartment unit, structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any common areas and facilities contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such apartment unit) shall be made by the owner of such apartment unit. Each unit owner shall be responsible for all damages to any and all other apartment units and/or to the common areas and facilities, that his failure so to do may engender.

(b) All maintenance, repairs and replacements to the common areas and facilities, and to the limited common areas and facilities, whether located inside or outside of the apartment units, (unless necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Board of Directors and be charged to all the unit owners as a common expense.

Section 11. Restriction on Use of Apartment Units. In order to provide for congenial occupancy of the Property and for the protection of the value of the apartment units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- (a) The apartment units shall be used for residences only.
- (b) The common areas and facilities, including the limited common areas and facilities, shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of apartment units.
- (c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.
- (d) No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning laws and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be corrected, by and at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

Section 12. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the common areas and facilities shall require additions, alterations or improvements costing in excess of \$10,000, and the making of such additions, alterations or improvements shall have been approved by the vote of at least two-thirds (2/3) in number and in common interest of the unit owners and by those mortgagees holding mortgages constituting first liens upon six (6) or more apartment units (provided that such approval by said mortgagees shall not be deemed to be an agreement by said mortgagees to subordinate such mortgages to any liens arising in connection with such additions, alterations or improvements), the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof, as a common charge. Any additions, alterations or improvements costing \$10,000 or less may be made by the Board of Directors without approval of unit owners or any mortgagees of apartment units and the cost thereof shall constitute part of the common expenses.

Section 13. Additions, Alterations, or Improvements by Unit Owners. No unit owner shall make any structural addition, alteration or improvement in or to his apartment unit, including any exterior painting or exterior alteration or addition (including awnings, grills, etc.), without the prior written consent thereto of the Board of Directors. The Board of Directors shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's apartment unit, within thirty (30) days after such request, and failure to do

so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. In addition, any such additions, alterations or improvements made prior to December 31st of the year indicated, must have the prior written approval of Tracy Leigh Development Co. (former Stage One apartments, 1973) and Tara Walker Corporation (former Stage Two apartments, 1975), which approval, however, will not be unreasonably withheld. Any application to any department of the Government of the Virgin Islands or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 13 shall not apply to apartment units owned by the Sponsor until such apartment units shall have been initially sold by the Sponsor and paid for.

Section 14. Use of Common Areas and Facilities. A unit owner shall not place or cause to be placed in the stairways or other common areas and facilities, including the limited common areas and facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind. The entry passages, stairways, entry bridges, etc., shall be used for no purpose other than for normal transit through them.

Section 15. Right of Access. A unit owner shall grant a right of access to his apartment unit to the manager and/or the

managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his apartment unit and threatening another apartment unit or a common area or facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas or facilities in his apartment unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another apartment unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 16. Rules of Conduct. Rules and Regulations concerning the use of the apartment units and the common areas and facilities, including the limited common areas and facilities, may be promulgated and amended by the Board of Directors with the approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to the time when the same shall become effective. Present Rules and Regulations, which shall be effective until amended by the Board of Directors with the approval of a majority of the unit owners, are annexed hereto and made a part hereof as Exhibit I.

Section 17. Potable Water. Potable water shall be supplied through the common facilities of the Condominium directly to

each apartment unit through a separate meter and each unit owner shall be required to pay the charge therefor established, from time to time, by the Board of Directors. The Board of Directors may, in its discretion, establish a separate water fund or account, which fund or account shall be reserved for expenses connected with the purchase by the Condominium of potable water from other sources, should such purchase become necessary.

Section 18. Gas. Gas shall not be supplied to any apartment unit, and unit owners are specifically prohibited from using gas, as a fuel or otherwise, within an apartment unit or on any part of the Property. Unit owners are further specifically prohibited from placing within an apartment unit, within a common area, or on any other part of the Property, any bottle, cylinder or other similar container for gas.

Section 19. Salt Water and Sewerage Service. Salt water for flushing, and sewerage service (including sewage disposal and treatment in the Condominium's sewerage treatment plant) shall be supplied as a common facility to all unit owners, and the cost thereof shall be treated as a common expense.

Section 20. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each apartment unit through a separate meter and each unit owner shall be required to pay the bills for electricity consumed or used in his apartment unit. The electricity serving the common areas and facilities shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the common areas and facilities as a common expense.

ARTICLE VI

MORTGAGES

Section 1. Notice to Board of Directors. A unit owner who mortgages his apartment unit, shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartment Units".

Section 2. Notice of Unpaid Common Charges. The Board of Directors, whenever so requested in writing by a mortgagee of an apartment unit, shall promptly report any then unpaid common charges due from, or any other default by the owner of the mortgaged apartment unit.

Section 3. Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such apartment unit whose name and address has theretofore been furnished to the Board of Directors.

Section 4. Examination of Books. Each unit owner and each mortgagee of an apartment unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

ARTICLE VII

SALES AND MORTGAGES OF UNITS

Section 1. No severance of Ownership. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his apartment unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. For the purpose of these By-Laws, the "Appurtenant Interests" shall mean, collectively, (i) the unit owner's undivided interest in the common areas and facilities appurtenant to such unit; (ii) the interest of such unit owner in any apartment units theretofore acquired by the Board of Directors, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such unit owner in any other assets of the Condominium. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any apartment unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the apartment unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all apartment units.

Section 2. Sale to Board of Directors. A unit owner may, subject to mutual agreement of the parties, and subject to the

provisions of Section 1 of this Article VII, sell his unit to the Board of Directors, or its designee; provided, however, that such purchase by the Board of Directors shall have the prior approval of two-thirds (2/3) of the unit owners, as expressed by the vote of at least two-thirds (2/3) in number and in common interest, of all unit owners, cast in person or by proxy in accordance with these By-Laws.

Section 3. Financing of Purchase of Apartment Units by Board of Directors. Acquisition of apartment units by the Board of Directors, or its designee, on behalf of all unit owners, may be made from the working capital and common charges in the hands of the Board of Directors, or if such funds are insufficient the Board of Directors may levy an assessment against each unit owner in proportion to his ownership in the common areas and facilities as a common charge, which assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article V, or the Board of Directors, in its discretion, may borrow money to finance the acquisition of such apartment units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the apartment unit, together with the Appurtenants Interests, so to be acquired by the Board of Directors.

Section 4. Gifts and Devises, etc. Any unit owner shall be free to convey or transfer his apartment unit by gift, or to devise his apartment unit by will, or to pass the same by Intestacy, without restriction.

Section 5. Waiver of Right of Partition with Respect to Such Apartment Units as are Acquired by the Board of Directors, or its Designee, on Behalf of All Unit Owners as Tenants in Common.

In the event that an apartment unit shall be acquired by the Board of Directors, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such apartment unit.

Section 6. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate or sell his apartment unless and until he shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against his apartment unit and until he shall have satisfied all unpaid liens against such apartment unit, except permitted mortgages. Notwithstanding the foregoing, a unit owner may convey or sell his apartment unit, subject to all other provisions of these By-Laws, to a purchaser who in writing assumes all unpaid common charges and who agrees to take such apartment unit subject to all unpaid liens against same.

Section 7. Mortgage of Apartment Units. No unit owner shall mortgage his apartment unit except by a first mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, or by a purchase money mortgage to the Sponsor. Any such mortgage shall be substantially in the form on file with the Board of Directors, except for such changes or additions as may be legally necessary in order to permit the particular

institutional lender to make the mortgage loan, or to the extent permitted in writing by the Board of Directors with the written approval of those mortgagees holding mortgages constituting first liens upon six or more apartment units.

ARTICLE VIII

CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the common areas and facilities, the award made for such taking shall be payable to the Board of Directors if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If 75% or more of the unit owners duly and promptly approve the repair and restoration of such common areas and facilities, the Board of Directors shall arrange for the repair and restoration of such common areas and facilities, and the Board of Directors or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more of the unit owners do not duly and promptly approve the repair and restoration of such common areas and facilities, the Board of Directors or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

ARTICLE IX

RECORDS

Section 1. Records and Audits. The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, Minutes of the meetings of the Board of Directors, Minutes of the meetings of unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment unit which, among other things, shall contain the amount of each assessment of common charges against such apartment unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all unit owners and to all mortgagees of apartment units who have requested the same, within a reasonable time after the end of each fiscal year.

ARTICLE X

MISCELLANEOUS

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Directors c/o the managing agent, or if there is no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time,

by notice in writing to all unit owners and to all mortgagees of apartment units. All notices to any unit owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the Board of Directors. All notices to mortgagees of apartment units, shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Notwithstanding the requirements of this section, all notices of regular, special and Annual Meetings of the unit owners, Board of Directors, and committees of the Board or otherwise, shall be by air mail (if off-island) but without the requirement of registration or certification. The applicable notice shall be sent so as to comply with the required time limits, if any, to the regular mailing address of the designated party as recorded in the books of the Association.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restrictions, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee. The Insurance Trustee shall be a bank (including a national banking association) qualified to do business in the Virgin Islands and designated by the Board of Directors. The Board of Directors shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a common expense of the Condominium.

ARTICLE XI

AMENDMENT TO BY-LAWS

Section 1. Amendments to By-Laws. Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of 66-2/3% in number and in common interest of all unit owners at a meeting of unit owners duly held for such purpose, but only with the written approval of those mortgagees holding mortgages constituting first liens upon six or more apartment units. Section 1 of Article III, in so far as it provides that the Sponsor, so long as it is the owner of one

Or more apartment units, shall be entitled to elect at least one member of the Board of Directors, Section 8 of Article III, in so far as it provides that the Sponsor, so long as it is the owner of one or more apartment units, may vote the votes appurtenant thereto, Section 13 of Article V, in so far as it provides that the provisions of such section shall not apply to any apartment units owned by the Sponsor, and this Section 1 of Article XI, however, may not be amended without the consent in writing of the Sponsor, so long as the Sponsor shall be the owner of one or more apartment units.

ARTICLE XII

EXECUTION OF INSTRUMENTS AND SEAL

Section 1. Execution of Instruments. All instruments of the Condominium shall be executed under seal by such officer or officers as the Board of Directors may designate, or as may be otherwise authorized.

Section 2. Seal. The seal of the Condominium shall be as follows:

ARTICLE XIII

CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the provisions of Sections 917 and 918 of Chapter 33,

Title 28, Virgin Islands Code. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

RECEIVED FOR RECORDING AT THE RECORDER'S OFFICE
ON THE 22nd DAY OF Oct 19 74 AT 4:00
O'CLOCK 1 ^M
Elise Violet
DISTRICT RECORDER OF DEEDS

RECORDED AND CANCELLED IN THE RECORDER'S OFFICE FOR THE DISTRICT
OF ST. THOMAS AND ST. JOHN, VIRGIN ISLANDS OF THE U.S.A.
BOOK 16-B, PAGE 77 SUB NO. 367, AND ENTERED IN
THE REAL (PERSONAL) PROPERTY REGISTER FOR _____
QUARTER NO. _____ (AUXILIARY)
21 PAGE 3 1445
DATE: October 22 19 74
Elise Violet
DISTRICT RECORDER OF DEEDS

EXHIBIT I
RULES AND REGULATIONS

for

COWPET BAY WEST

PARCELS 8 - 1 - 2, 8-1-4, 8-1-5 and 8-1-6
ESTATE NAZARETH, ST. THOMAS, VIRGIN ISLANDS

1. The walkways, passages, stairways and entry bridges of the buildings shall not be obstructed or used for any other purpose than ingress to and egress from the apartment units.

2. No article shall be placed on any of the walkways, passages, stairways, entry bridges or roofs, nor shall the same be obstructed in any manner.

3. No walkways, passages, stairways or entry bridges of the buildings shall be decorated or furnished by any unit owner in any manner.

4. Each unit owner shall keep his apartment unit, balconies, or balcony and rear porch, to which he has sole access, in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, any dirt or other substance.

5. No laundry, laundry lines, or other unsightly articles shall be placed on the balconies, rear porches or common areas and facilities.

6. No radio or television aerial shall be attached to or hung from the exterior of the buildings, balconies or porches, and no signs, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the building.

36.7(b)
1974

7. All radio, television or other electrical equipment of any kind or nature installed or used in each apartment unit shall fully comply with all rules, regulations, and requirements of the public authorities having jurisdiction, and the unit owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such unit owner's apartment unit.

8. No unit owner shall make or permit any disturbing noises in his apartment or within the common areas and facilities, or do, or permit anything to be done, therein, which will interfere with the rights and reasonable comfort and convenience of other owners.

9. Water-closets and other water apparatus in the building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in an apartment unit shall be repaired and paid for by the owner of such apartment unit.

10. No unit owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his apartment unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

11. No dogs, cats, birds or other pets shall be kept in the apartment units, or on the property, except with written permission of the Board of Directors.

12. No garbage or trash will be left or disposed of on or adjacent to the property.

13. No occupant of the building shall utilize any employee of the Condominium or of the Board of Directors or of the managing agent for any private business.

14. No vehicle belonging to a unit owner or to a member of the family or guest, tenant or employee of a unit owner shall be parked in such a manner as to impede or prevent ready movement by another vehicle, nor shall it be parked in any parking place assigned to another unit.

15. The Board of Directors or the managing agent or the manager may from time to time curtail or relocate any space devoted to storage or service purposes in the buildings.

16. Any owner, member of his family, tenant or guest using the adjoining beach area to which the unit owners have use rights shall clean up the beach upon his departure and remove any trash or other articles for which he is responsible.

17. If any key or keys are entrusted by a unit owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Directors or of the managing agent, whether for such unit owner's apartment unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such unit owner, and neither the Board of Directors nor the managing agent nor the manager shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

18. Complaints regarding the operation of the Condominium or service of the buildings, grounds, etc., shall be made in writing to the Board of Directors or to the managing agent or to the manager.

RECORDED AND INDEXED IN THE RECORDER'S OFFICE FOR THE DISTRICT OF ST. THOMAS AND ST. JOHN, VIRGIN ISLANDS OF THE U.S.A.
BOOK 16-B, PAGE 77, SUB NO. 367, AND ENTERED IN THE REAL (PERSONAL) PROPERTY SECTION FOR

QUANTITY NO. _____ (AUXILIARY)
21 PAGE 2 1445

DATE: October 22, 1974
Colise Violet
DISTRICT RECORDER OF DEEDS

RECEIVED FOR RECORDING AT THE RECORDER'S OFFICE
ON THE 22nd DAY OF Oct 19 74 AT 4:00
O'CLOCK P M
Colise Violet
DISTRICT RECORDER OF DEEDS