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September 8, 2025

Cowpet Bay West Condominium Assoc.
6201 Windward Way
St, Thomas, VI 00802
ATTN.: BOARD OF DIRECTORS

Dear Board Chairman and members of the Board,

For the past 30 years, my wife has had the pleasure of owning property at 5 Leeward Way. Over this period of time, we have seen significant changes in the nature and feel of Cowpet which are directly attributable to the manner and conduct of how the units are being utilized and maintained. These changes, especially in the last five years or so, have considerably impacted our enjoyment at the property.

Cowpet is now suffering major breakdowns of our infrastructure as a result of overuse due directly to the fact that many of the units are being rented out as Air BnB's, etc. These short term transient rentals are negatively impacting the quiet use and enjoyment of the premises by long term owners and have greatly increased overall operating expenses and shifted the burden of these increased costs onto those of us who do not rent their units. For instance, I saw in a recent letter from the Board that we are paying \$51,000.00 or so for water. These increased costs can only be attributable to the fact that some units are being rented out on an almost continual basis, whereas those of us who do not rent our units do not occupy our property, (thus not running up operating costs), for the same periods of time as the transient rented units.

Let's face it, these units, and our entire complex in general, were not built to be commercial units and that is essentially what they are at this point. I have become aware of the fact that some of these units have been rented out to 6-10 people at a time. These over-occupied units demand, of necessity, a greater use of resources the cost of which is shifted to all unit owners. In addition to increased costs this over utilization dramatically increases the wear and tear on the overall

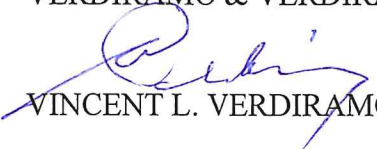
infrastructure of the property. There have been reports of foundations and walls cracking, etc. and one must wonder how the dramatic increase in use has contributed to these problems. Historically these buildings had occupancy rates that consisted of approximately twenty percent permanent residents and the remaining unit owners utilized their units at two to three months a year at most. Their units were not revolving doors of different people every weekend. It clearly is inequitable that the individuals who don't rent should be compelled to pay for the increased operational costs caused by the private commercial ventures of other unit owners.

Assuming that a large number of units are now commercial short-term rentals, this changes the nature of our property's classification for insurance purposes. Failure to advise our carrier of the change in the nature of the use is grounds for the company to disclaim coverage, which obviously could be disastrous. In fact, failure to advise the carrier of the extent of the short-term rentals is most probably a breach of our insurance contract already. Further I am advised by a client in the commercial coverage business that once we are re-classified as commercial rather than residential, that we can expect the insurance rates to triple. Once again, this increase in operating costs due to the activities of the short-term rental unit owners is shifted onto the non-renting owners. You, as the Board of Directors, have a fiduciary obligation to all of the unit owners. Your failure to act upon these very real threats to the future of the property is, in my opinion, a breach of that duty.

Does the Board possess a census of the various units use, i.e., which are being rented short-term on a regular basis and those that are not ? Has the idea of an added assessment on units being rented short-term to equalize expenses been explored ? If not, then it should be, as one way to address the disproportionate shifting of the operating expenses on all unit owners. The water system, sewage (grey water), and the overall property maintenance and security are impacted negatively by the excessive short-term rentals taking place on the property. Units are getting run down and should be upgraded.

Let me close by saying that I don't have a problem with property being used as an investment. However, it is inequitable that another's investment should raise my home ownership expenses and put my entire investment at risk as it applies to the property insurance coverages. The Board must take up this issue of short-term rentals to help preserve Cowpet for the benefit of all owners. I look forward to continuing this discussion aimed at favorably resolving all of the issues raised herein.

Very truly yours,
VERDIRAMO & VERDIRAMO, P.A.



VINCENT L. VERDIRAMO

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