

**Cowpet Bay West
Board of Directors Meeting
December 13, 2011**

Present: Max Harcourt, Barbara Walters, Bob Cockayne, Rosie Wells, Sharon Koehler, Bill Canfield, Vince Verdiramo, Jon Cassady, Louanne Schechter

Open Meeting:

Max made a motion that our meetings, except when put into executive session are open. "Open" meaning any owner may attend by phone or in person. Bob 2nd, the vote carried with 4 yes and 3 no.

Treasurer Report: As of November 30
Regular/Special Account Balances - \$135,705
Reserve Fund Balance - \$425,677

Analysis of Reserve Fund status, Capital Improvement reimbursement, anticipated Reserve Fund balance at year end:

Current Reserve Fund Balance -	\$ 425,677
Dec. payment due Reserve	+ 4,785
Owed for Capital Improvement	<u>- 41,680</u>
Anticipated Reserve Fund Year End	\$ 388,782

Uncollected funds 60 days & older - \$20,880

Louanne reported L-41 is under contract and that we would be collecting the bulk of the outstanding fees if we accept the offer from the buyer which is approximately \$18,000. The Directors voted unanimously to accept the offer. Louanne reported that L-48 was also now current.

Budget Issues

1. Management Salaries/bonuses
2. Capital Improvement Projects

Sharon stated that without Capital Expenditures, we would have to reduce the Reserve Fund by approximately \$10,000. We would also continue the \$60,000 insurance fee but we would spread it over 12 months.

Max stated he asked Sharon to prepare the budget using (worst case scenario) the current insurance fees. Max tasked the Insurance Committee to obtain bids for the property to be effective preferably by February. Bob reported he spoke with Mapfre and Executive Insurance and will continue to get bids.

Bob asked Vince if he wanted to be considered for the 2012 Board of Directors, Vince declined.

Bill and Vince left the meeting at this time.

Barb asked, do the owners approve the budget? Max stated that according to the Bylaws, the budget is the responsibility of the Directors and that it is presented to the owners.

Max suggested we have a meeting to finalize the budget next week with the intent of distributing it to the owners by year's end. **The meeting will be Tuesday, December 20th, at 8:45 am.**

Max stated that worse case for insurance is if we have to continue with Mapfre at current rates. The insurance committee is creating a bid package to include risk factors, hoping to obtain better rates.

Old Business

ByLaws

Anna Paiewonsky reviewed proposed Bylaw changes from the Directors. She contributed language to make provision for LLC's throughout the bylaw document. Anna dropped the word "apartment" from the entire document. Max stated *apartment* remain as it is used throughout the document. Max suggested the Directors look at the proposed changes in the attachment provided by Sharon.

Article II Section 3: Sharon stated exceptions were made to protect the Association from negligent discharge. Following discussion, the directors voted not to accept this change.

Article II Section 5: Suggested change, in red, left out.

Article II Section 6: 4 above, *Subject to section 4 above* leave out.

Article II Section 8: typo: *Meeting notices* at end of section omit. Leave meeting date notice at 30 days.

Article II Section 17: *Action by consent*. Leave as is.

Article V Section 1: last paragraph Operation of Property,
Change the wording from *preliminary* to approved *budget for the ensuing year shall be provided not less than 30 days*.

Article V Section 2: Paragraph 3- omit ***and/or an evaluation based on risk exposure***

Article V Section 11: #4: No Dogs Allowed moved from Rules to Bylaws. The Directors discussed Vince's legal opinion that was emailed to owners, the Directors agreed to hire a VI lawyer and obtain that opinion. The directors agreed to keep #4 as:

1. No dogs are allowed on the property, either long term or visiting. The Board may grant exceptions to the NO DOGS ALLOWED rule, on an individual basis, should an owner require the assistance of a service animal (dog) as defined by the ADA. Owners seeking to obtain such an exemption are required to apply, in writing, to the Board with supporting documentation.

Max requested Sharon assist him in preparing a document for the owners that will show the existing Bylaw with the changes highlighted. Max would like these modifications sent to owners with a cover letter that states a non vote is a no vote.

Article II Section 18

Delete suggested change ***who are not Directors or related to any current Directors***. Add : The Nominating Committee *Chairperson* to the next sentence.

- **Nominating Committee:** Bob reported the committee met last Saturday and will meet again this afternoon to finalize their decision. *(Bob stated he will bring the information to the office this afternoon)***amended to: Bob stated he will bring the information to the office** for Louanne to format and prepare for mailing and would get the applications to Rosie.

Owner Issue Log: Max asked how the completed items are archived. Louanne explained they are on the same excel spreadsheet , "sheet 2".

Max suggested the Directors assist the staff by educating the owners that all issues are sent in writing to the office. The biggest contention is wall cracks. Jon explained that the Association will repair cracks due to structural problems. Non-structural cracks and spalling are the responsibility of the owner. Jon has been consistent in the policy as long as he has been here. When the owner disagrees, Jon suggests the owner put the complaint in writing and send it to the Board of Directors for resolution.

Max also stated that Jon and Louanne need to provide all responses in a positive manner so that owners are happy with the response.

Manager Report

Cistern Repair and spalling under buildings will be wrapped up this week

Gray water pipeline will be completed this week

Transformer is on island and will be delivered here by the end of this year.

Step, railing and painting is progressing and should be complete by the end of the year

CBE Bylaws: Jon has not obtained.

Manual Gate: The vendor has built a free standing pedestal for the manual gate that should be here next week

Meet & Greet: To be at Caribbean Fish Market

HO-6 Policies: Mapfre does not have yet.

Elysian Payment: Elysian has paid their portion of the retaining wall.

Letter to Police Chief: Sent as directed. No response from police department.

Status on Electronic Banking: Louanne stated she sent the cost and form to the Directors and did not get a response. Sharon stated she never received it, Louanne will resend it.

Owner List: Louanne reported she is calling each owner and updating the list accordingly. The list is available electronically.

Approval of Minutes: Max made a motion the minutes to the meetings on November 8th and 18th be approved as read. Rosie 2nd , all were in favour.

Next Meeting: The next Board of Directors meeting will be January 11, 2012 at 9am.

ACTION ITEMS

Retain USVI lawyer to review and give opinion on No Dog Rule
Notify Directors of Special Meeting for Budget on 12/12/11
Prepare Bylaws for distribution to Owners
Complete recommendations for nominations
Resend information on electronic banking
Prepare Ballots for distribution to owners
Owners Directory updated with email address

Max
Max
Max & Sharon
Nominating Committee
Louanne
Louanne
Louanne

BY-LAWS OF COWPET BAY WEST

CONDOMINIUM ASSOCIATION

Cowpet Bay

St. Thomas, Virgin Islands

New date

Article I

Plan of Unit Ownership

Section 1. Unit Ownership: The property located at Parcels 8-56-1 and 8-1-2, 4, 5, & 6 of Estate Nazareth, No.1 Red Hook Quarter has previously been submitted in a declaration forming an association under the provisions of Chapter 33, Title 28 of the Virgin Islands Code, known as the “Condominium Act of the Virgin Islands”. The association has been and will continue to 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 and all buildings and other improvements thereon owned by the association and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which were previously submitted to the provisions of said Chapter 33, Title 28 of the Virgin Islands Code.

Section 3. Application: All present and future owners, mortgagees, lessees, **tenants**, occupants of units and any other persons who may use **or access** 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, mortgage or conveyance or the entering into of a lease or the act of occupancy of a 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 West, Estate Nazareth, No.1 Red Hook Quarter, St. Thomas, Virgin Islands. The mailing address shall be 6201 Windward Way, St. Thomas, USVI 00802, or such address as may be designated by the Board, upon 30 days written notice to the members of the Association.

ARTICLE II

Board of Directors

Section 1. Number and Qualifications: The affairs of the Condominium shall be governed by a Board of Directors. The Board of Directors shall be composed of seven persons, all of whom shall be owners or spouses of owners, or in the case of partnership owners, shall be members of said partnership, or in the case of corporate owners, shall be officers or stockholders of such corporations, or in the case of fiduciary owners shall be the fiduciaries or beneficiaries of any such trust, **or in the case of a limited liability company, shall be the members of such company.** A Board member may not base his/her eligibility to sit on the Board, **from the fact that a current Board Director resides in the same unit and therefore he/she can stand in said Board Director's position. Only one member of a unit can simultaneously serve on the Board.**

No person who is in arrears for ninety days or more on any billing or assessment by the Cowpet Bay West Condominium Association shall be eligible to be elected to or serve as a director on the Board of Directors. In the event such person is serving as a director, that person's position as director shall be declared to be vacant and another person appointed by a majority vote of the remaining Board to fill the vacancy so created, until the next regular election of the Board of Directors. Arrearages of partnerships, corporations, trusts, fiduciary owners, etc. on which a person's eligibility to serve on the board is based, shall be **subject to the same consequences of ineligibility as set forth above.**

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, by the Declaration **(to the extent still applicable)**, or by these By-Laws **are** not 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 Association Charges, which shall include the common expenses required for the operation of the Condominium, **insurance**, utility rates, **water**, late fees and interest charges, fines for By-Laws and **for rules and regulation violations**, and **any reserve funds maintained by the Association.**
- c) Collection of Association charges, as hereinafter defined, from the unit owners.
- d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.
- e) Adoption, amendment and Enforcement 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 therefore **and maintaining and accounting for any funds deposited or withdrawn from said accounts.**

- g) Purchasing or leasing or otherwise acquiring, in the name of the **Association** or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale or surrendered by their owners.
- h) Purchasing of units at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all unit owners.
- i) Selling, leasing, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with units acquired and subleasing units leased by the Association, or its designee, corporate or otherwise on behalf of all unit owners. **No mortgage shall be entered into without the expressed written consent of a majority (51%) or more of the unit owners.**
- j) **Issuing a Power of Attorney for someone** to act as designee of the **Association** in acquiring title to or leasing of units on behalf of all unit owners.
- k) Obtaining of insurance for the Property, including **all premises owned or required to be maintained by the Association** pursuant to the provision of Article V, Section 2 hereof.
- l) Making of repairs, **restorations**, additions and improvements to or alterations of the Property, **including all premises owned or required to be maintained by the Association** in accordance with the other provisions of these By-Laws, after damage or destruction by fire or 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. 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), (j) and (k) of Section 2 of this Article II.

Section 4. Election and Term of Office:

Directors will serve for a term of three years. Two Directors shall be elected the first year, two the second year, and three the third year to replace those directors whose terms are expiring. Where a vacancy has been filled by vote of a majority of the vote 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. Any candidate for director may run for a full term, or any term created by a vacancy, or both.

Each director shall be elected by the vote of a majority (as defined in Article III Section 9) of the unit owners. All vacancies shall be voted for on **in a single** ballot, and the candidate(s) with the highest number of votes shall be elected to **fill the respective** vacancies. Each candidate's name shall be preceded by a space where an "X" may be placed to vote for said candidate. It shall not be required that a name be crossed out and another inserted to vote for a candidate on the ballot. A space for write-in candidates shall also be provided. Ballots and proxies shall be provided to the owners not less than 30 days prior to the Annual Meeting.

Each Director shall hold office until their respective successor shall have been elected by the unit owners.

A Director may serve only two consecutive terms and shall not hold office for one year before being eligible to run again.

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.

If a Board member does not attend any of the Board meetings during an entire year, and also does not attend the annual owners meeting that same year, such member may be removed from the Board by a majority of the other members of the Board of Directors.

If a Director is removed pursuant to Section 5 herein, said Director shall not be eligible for service on the board for a minimum of ___ years.

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 **subject to Section 4 above**, by a 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 an organizational meeting held directly following the Annual Meeting of the unit owners, at such time and place as shall be fixed by the Board members at said meeting, and no notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, provided a majority of the whole Board of Directors shall be present, **or available via video or audio conference**. 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 to each director, as for any special meeting of the Board of Directors.

Section 8. Regular Meetings: 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, email or fax transmission, at least ten days prior to the day named for such meeting. Meeting notices

Section 9. Special Meetings: Special meetings of the Board of Directors may be called by the President upon five business days notice to each member of the Board of Directors given by mail, email or fax transmission, 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 two members of the Board of Directors. Such special meeting may be conducted by a **video and/or audio** conference call.

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 the 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, no business may be transacted until a quorum is achieved. Board members may participate by video or audio conference call.

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 Association for serving as a board member. However, verifiable expenses, in accordance with guidelines established by the Board in advance, are reimbursable. A **Director** may also be compensated for other services unrelated to his/her Board function.

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 willful 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 interest.

Section 15. Executive Committee: The Board of Directors, by resolution passed by a majority of the entire Board, shall designate at the Organization Meeting or anytime thereafter, three members of the Board to constitute an Executive Committee, with one member thereof designated as Chairman. 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 shall define the authority of the Executive Committee.

The Board of Directors, 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 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. 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.

Section 16. Inspection by Executive Committee: The Executive Committee shall make a detailed inspection of the buildings, pump rooms, offices, maintenance shops, sewage and water-making plants, emergency generator, roads, sidewalks, steps, entry bridges, railings, grounds, landscaping, watering systems, the beach and the sea wall at least twice a year in the company of the manager or managing agent,. Additionally, the Committee shall evaluate the operation of the Association office and the overall security situation of the property.

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. Within 30 days after each such semi-annual inspection, the Committee will report its findings and recommendations to the 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 consent thereto is signed by three-quarters of the members, (rounded off to the nearest whole number), of the Board of Directors or of such committee as the case may be, and filed with the minutes of proceedings of the Board of Directors or committee.

Section 18. Nomination of Directors: Nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chair, who shall be a member of the Board of Directors, and two or more members of the Association, **who are not Directors or related to any current Directors.** The Nominating Committee shall be appointed by the Board of Directors at its organizational meeting and serve until the next 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. Each nomination shall be for a specified vacancy.

Any person qualified under Section 1 of Article II of these By-Laws to serve on the Board of Directors may be nominated for the Board of Directors by submitting a request, signed by the owners of two units in which the nominee has no financial interest, to the Board Secretary sixty days prior to the Annual Meeting. The Board shall include his/her name on the ballot directly following the nominee(s) proposed by the Nominating Committee for each vacancy. Any nomination that does not specify a specific vacancy shall be deemed a nomination for all vacancies.

Section 19 – Communications

Communications by, from, to and among the Board may be in writing, by fax or by electronic communications (telephone, telephone conference, email, internet, etc.) Telephone and telephone conference conversations must be documented (e.g., minutes or record of conversation). This communication will constitute "official" communication by the Board.

ARTICLE III

Unit Owners

Section 1. Annual Meeting:

The Annual Meeting of the unit owners shall be held during the first quarter each year. At the Annual Meeting, Directors shall be elected by ballot in accordance with the requirements of Section 4 of Article II of these By-Laws, and 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 other business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meeting: It shall be the duty of the Secretary to mail a notice of each annual meeting of the unit owners not less than thirty days nor more than ninety 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 may 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. Special meetings require not less than ten days notice.

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 hours from the time the original meeting was called.

Section 6. Order of Business: The annual meeting of the unit owners shall be chaired by the President or other member of the Board of Directors chosen by the Board, and the order of business shall be generally as follows:

- a) Roll Call – by unit
- b) Establishment of Quorum (1/3 of all unit owners)
- c) Proof of Notice of Meeting
- d) Approval of Minutes of last year’s Annual Meeting
- e) President’s Report (including cost and coverage of insurance)
- f) Treasurer’s Report (including discussion of Budget and Financial Status)
- g) Property Manager’s Report
- h) Report of Nominating Committee
- i) Election of Board Members
- j) Old Business
- k) New Business

Section 7. Title to Units: Title to units may be taken in the name of an individual, or in the names of two or more persons as tenants in common, joint tenants or tenants by the entirety, or in the name of a corporation, partnership, limited liability company or other legal entity authorized to own real property in the Virgin Islands, or in the name of a fiduciary.

Section 8. Voting: The owner or owners of each 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 vote appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing and shall be revocable at any time by written notice to the Secretary or in person at the meeting. Any or all such owners or proxies may be present at any meeting of the unit owners and may vote or take any other action as a unit owner either in person or by proxy. Votes of unit owners shall be weighted in accordance with their share of the common interest, as follows, with the total of all votes equaling one hundred:

2 Bedroom	.911
3 Bedroom	1.062
2 Bedroom + Loft	1.193
4 Bedroom	1.301
3 Bedroom + Loft	1.376

The Board of Directors shall accept any vote if the owner is one of the owners of record of the unit, or in the case of a proxy, if there is no obvious defect on the face of such proxy. It shall be the burden of the protestor 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 Section 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 by the Board of Directors at any regular or 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/her 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 Corporate 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. The Treasurer shall be responsible for the deposit of all monies 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 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 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, **in the resolution authorizing the execution of said document.**

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. Common expenses shall include, among other things, operation and maintenance, insurance premiums, repairs and such amounts as the Board of Directors may deem proper 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 buy or lease to the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit to the Board of Directors, or of any 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 to all unit owners copies of each budget on which such common charges are based.

A summary of the previous year's actual income and expenditures, a year end summation of liquid assets and accounts payable/receivable, and a preliminary budget for the next (ensuing) year shall be provided to all owners not less than 30 days prior to the Annual Meeting.

Section 2. Insurance:

The Board of Directors shall annually obtain and maintain, to the extent obtainable, the following insurance:

1. Fire with extended coverage to include earthquake and flood coverage, vandalism and malicious mischief endorsements insuring the entire buildings and "common elements" together with all service machinery contained therein and covering the interest of the Condominium, the Board of Directors and the Common Interest of the unit owners in an amount to be determined by the Board of Directors.
2. Windstorm, insuring the entire buildings and "common elements" together with all service machinery contained therein and covering the interest of the Condominium, the Board of Directors and the Common Interest of the unit owners in an amount to be determined by the Board of directors.
3. Worker's Compensation; Public Liability covering each member of the Board of Directors, the managing agent, the manager, the office manager and each unit owner; Vehicle and other such insurance as the Board of Directors may determine in amounts to be determined by the Board of Directors.

All policies of physical damage shall provide that such policies may not be cancelled or substantially modified without written notice from the Board of Directors.

From time to time or as required by insurers, the Board of Directors shall obtain from a certified and USVI licensed real estate appraiser, an appraisal of the full replacement value, without deduction for depreciation, and/or an evaluation based on risk exposure, of the buildings, common areas and facilities for the purpose of determining the amount of insurance required.

Unit owners shall be encouraged to carry Home Owner insurance on their "unit" for their own benefit provided that all such policies shall indicate the liability of the carrier(s) 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.

The Board of Directors will provide owners a concise summary of all insurance coverage and costs at each Annual meeting.

The terms "common elements" and "apartment unit," as mentioned above, are defined in Article 5, Section 10 "Routine Maintenance and Repair."

Section 3. Repair or Reconstruction After Fire or Other Casualty: In the event of damage to or destruction of the commonly owned buildings and elements as a result of fire or other casualty (unless 66-2/3% or more of the buildings 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 commonly owned buildings and elements, and the Board of Directors 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. The association shall only be responsible for inspecting unit interiors to determine if damage is structural or due to external causes, or if adjacent unit damage is caused by external causes, or unless that unit is owned by the association. Unless that unit is owned by the association, repair by the association of other unit damage will be limited to structural damage, that caused by external or adjacent unit causes, and will not include property or fixtures installed by the owner or previous owners.

Within ninety days after a casualty of an estimated repair cost of \$100,000 or greater, the Board will provide to the owners a financial status report indicating projected repair costs, source(s) of necessary funds, expenditures and commitments to date, and a schedule and plan for completion. This report will be updated and issued to owners on a quarterly basis, thereafter, until repairs are complete. A current report shall be provided at the next Annual Meeting.

If 66-2/3% or more of the Building(s) are destroyed or substantially damaged and if within sixty 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 auction for partition at the suit of any unit owner or lien holder, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (less any repairs conducted) shall be divided by the Board of Directors 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/her/their unit, in the order of priority of such liens.

Section 4. Payment of Association 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, as well as “other charges” for utilities, services, unit repairs, late fees, interest, fines and/or collection costs, if incurred. With respect to the following sections concerning payment, collection, default, foreclosure, etc., in Sections 4, 5, 6, 7, & 8 below, the term “association charges” is intended to include, but not be limited to, all the above items, both the “common” and “other” charges.

No unit owner shall be liable for the payment of any part of association charges assessed against his unit subsequent to a sale, transfer or other conveyance by him of such unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. In addition, a unit owner may, subject to acceptance by the Board of Directors provided that the unit is free and clear of liens and encumbrances other than mortgages and statutory liens for unpaid association charges, convey the 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 association charges thereafter assessed.

However, a purchaser of a unit shall be liable for the payment of association charges assessed against such unit prior to the acquisition of such a unit, without prejudice to such purchaser’s right, if any, to recover from the seller the amounts paid by the purchaser, except that a first mortgagee or other purchase of a unit at a foreclosure sale of a first priority mortgage of such a unit shall not be liable for and such a unit shall not be subject to a lien for the payment of association charges which became due prior to the acquisition of title by such acquirer.

Section 5. Collection of Association Charges: The Board of Directors shall assess association charges against the unit owners from time to time and shall take prompt action to collect any charges due from

any unit owner, which remain unpaid for more than thirty days from the date due for payment thereof. Such action may include placement of a lien on the apartment unit, notification to the mortgagee of the owner's failure to pay association charges and foreclosure on the lien. Additionally, suspension of utilities by a majority vote of the Executive Committee is permitted if an owner is more than 90 days in arrears of any Association charges. Payments received from unit owners will be applied to **the oldest arrearages first.**

Section 6. Default in Payment of Association Charges: In the event of default by any unit owner in paying to the association charges as determined by the Board of Directors, such unit owner shall be obligated to:

1. pay interest from the date of the initial billing at the maximum legal rate of interest, as defined by the Virgin Islands Laws, on all amounts past due,
2. pay a monthly service charge as determined and promulgated from time-to-time by the Board of Directors,
3. pay all expenses and attorneys' fees incurred by the Board of Directors in any proceeding brought to collect such unpaid association charges.

All such unpaid association 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 all association charges, together with interest and monthly service charges thereon, and the expenses of the proceeding, including attorneys' fees, in any action to recover the same brought against such unit owner, or by foreclosure of the lien on such unit granted by Section 922 of Chapter 33, Title 28, Virgin Islands Code.

Section 7. Foreclosure of Liens For Unpaid Association Charges: In any action brought by the Board of Directors to foreclose a lien on a unit because of unpaid association charges, the unit owner shall be required to pay a reasonable rental for the use of the unit, and the plaintiff in such foreclosure action shall be entitled to the simultaneous 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 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 association charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Association Charges: The Board of Directors shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid association 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 unit in which, or as to which, such violation or breach exists and to summarily abate or 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. Routine Maintenance and Repair: All maintenance of and repairs to any “unit” (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 the responsibility of the owner of such apartment unit. Also, each unit owner shall be responsible for damage to other apartment units and/or to the common areas and facilities resulting from conditions for which such owner has responsibility as indicated above.

A “unit” is considered the space inside the perimeter walls, interior walls, floor and ceiling to include:

- All decorating elements including: paint, wall and floor coverings, paneling, molding and tiles; finished cabinets and mirrors.
- All electrical appliances including: refrigerator, stove, washer, dryer, dishwasher, garbage disposal, hot water heater and air-conditioning equipment (including compressor).
- All electrical fixtures including: wall ceiling and floor outlets, switches and fuse box.
- All plumbing fixtures including: tubs, toilets, showers, sinks and faucets.

Additionally, the unit owner shall be responsible for the routine lubrication and adjustment of doors and windows, and, unless major casualty related, replacement of broken glass, wooden or glass slats and damaged screens. The unit owner shall also maintain and assure the operability of the storm shutters installed on that unit and is responsible to close them in the event of a windstorm. Damage caused by failure to do so is the responsibility of the owner if net insurance proceeds are insufficient to cover such damage.

Screen doors may be installed on the main street-side entry doors at the unit owner’s expense provided they meet the existing décor. Once installed, they must be maintained by the unit owner in a good state of repair, or the Association will do so at the owner’s expense.

Except for the limited exceptions noted above, all maintenance, repairs and replacements to the “common elements”, common areas and facilities, whether located inside or outside of the 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 Association and be charged to all the unit owners as a common expense.

“Common elements” are considered to include all other elements of the buildings and property except those specified as being part of the “unit.” Additionally, the following are considered common elements:

- Electrical supply to the fuse box.
- Water and plumbing lines in the walls (including interior walls), floor and ceiling to the valves at sinks, showers, tubs, hot water heater, and toilets, etc.
- Drains to the first connection outside a wall.

External air conditioning compressor units shall be maintained by the owner in a reasonable state of preservation. The Association may require owner to remove inoperable and/or un-maintained units or do so at the owner’s expense

Below is a guide to assist in clarifying owner and Association responsibility with regard to maintenance/repair and insurance.”

Insurance and Maintenance Responsibility Matrix

Category (Not Intended to be all-inclusive)	Owner Maint/Repair Responsibility	Association Maint/Repair Responsibility	Association Insurance Responsibility	Owner Insurance Responsibility
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Exterior Walls and Interior Damage Caused by Leaks		X	X	
Roof and Interior Damage Caused by Roof Leaks		X	X	
Interior Damage caused by Adjacent Units (Leaks, etc.)	X			Owner or Adjacent Unit's Insurance Responsible
Front Doors	X		X	
Screens	X		X	
Exterior Sliders		X	X	
Exterior Wood Railings, Trim, Benches		X	X	
Exterior Windows	X		X	
Electrical System to Breaker Panel		X	X	
Electrical System, Breaker Panel to Outlets, Junction Boxes	X		X	
Electrical Fixtures-Interior	X			X
Plumbing Inside Walls, Floors Ceilings to valves		X	X	
Condo plumbing not in walls/floors	X			X
Plumbing Fixtures	X			X
Interior Walls	X		X	
Interior Doors	X			X
Cabinets	X			X
Furniture	X			X
Appliances	X			X
Wall/Floor Coverings (tile/carpet)	X			X
Hurricane Shutters	X		X	
Furniture	X			X
Personal Property	X			X
External A/C elements	X			X
Internal A/C elements	X			X
Landside Porch/Steps/Railings		X Excluding Tile	X Excluding Tile	
Seaside Balcony/Railings		X Excluding Tile	X Excluding Tile	

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

The units shall be used for residences only. Units will not be occupied by more than two persons per bedroom for more than thirty days per year.

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 the units

2. 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 proper use of the Property by its residents.
3. 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.
4. 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 obligations to maintain or repair such portion of the Property.
5. No dogs are allowed on the property, either long term or visiting. The Board may grant exceptions to the NO DOGS ALLOWED rule, on an individual basis, should an owner require the assistance of a service animal (dog) as defined by the ADA. Owners seeking to obtain such an exemption are required to apply, in writing, to the Board with supporting documentation.

Federal and ADA Compliance, as follows:

"On July 23, 2010, Attorney General Eric Holder signed final regulations revising the Department's ADA regulations, including a revised definition of "service animal." Effective March 15, 2011, "Service animal means any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. The work or tasks performed by a service animal must be directly related to the handler's disability.

Dogs used for emotional support, that are not task-trained, are called emotional support animals. They are not service dogs".

Section 12. Additions, Alterations or Improvements by the Board of Directors: Additions, alterations or improvements to the common areas and/or facilities up to \$100,000 may be made by the Board of Directors. Additions, alterations or improvements in excess of \$100,000 shall require approval by a vote of two-thirds (2/3) in common interest of the owners. The cost of such additions, alterations or improvements shall constitute a common charge. This section is not applicable to repairs conducted in accordance with Article V Section 3 of these By-Laws.

Section 13. Additions, Alterations, or Improvements by Unit Owners: No unit owner shall make any structural addition, alteration or improvement in or to the 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 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.

A unit owner shall obtain a receipt from any person accepting his written request for a change under this section and shall show the receipt to the manager or any Director upon request. 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 unit shall be executed by the Board of Directors only, without, however, incurring liability on the part of the Board of Directors or any of them to any contractor, sub-contractor or supplier on account of such additions, alteration or improvement, or to any person having any claim for injury to person or damage to property arising

therefrom. The owner in such instance shall provide the Board of Directors with a Hold Harmless Certificate.

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 the 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 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 the unit or elsewhere in the Building, 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 or not the unit owner is present at the time.

Section 16. Rules of Conduct: Article V Section II of these By-Laws delineates general restrictions on the use of the property. Additionally, a definitive listing of current Rules and Regulations is provided as Exhibit I hereto. These Rules and Regulations may be amended by the Board of Directors from time to time. The Board is empowered to enforce these By-Laws and Rules and Regulations with monetary fines and other sanctions and may also take any legal action in court to enforce them. An owner is subject to such fines, sanctions and/or legal actions for the actions of tenants as if those actions were by the owner.

Copies of the 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. The unit owner must insure that the tenant or occupant be fully informed and furnished with a copy of the Rules and Regulations and be fully bound thereby.

Section 17. Potable Water and Electricity: The Association shall supply potable water and electricity Association through the common facilities of the Condominium directly to each unit through a separate meter, and each unit owner shall be required to pay the charges therefore established, from time to time, by the Board of Directors. Water, electricity and other utility charges will normally be billed monthly incident to the common charges and are considered to be part of the "association" charges. Utility charges more than thirty days in arrears are subject to a late fee and interest per Section 6 Article V of these By-Laws, and said utilities may be suspended by the Association if an owner is more than 90 days in arrears of Association charges per Article V Section 5 thereof.

Section 18. Gas: Gas shall not be piped to any apartment unit, and unit owners are specifically prohibited from using gas as a fuel for regular cooking, water heating, or any other regular purpose. Small quantities of propane gas may be used for gas grills kept on street-side galleries and for emergency use inside apartment units.

Section 19. Grey Water and Sewerage Service: Grey 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.

ARTICLE VI

Mortgages

Section 1. Notice of Unpaid Common Charges: The Board of Directors, whenever so requested in writing by a mortgages of a unit, shall promptly report any then unpaid association charges due from, or any other default by the owner of the mortgaged apartment unit.

Section 2. Notice of Default: The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other default, may send a copy of such notice to each holder of a mortgage covering such unit.

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 the unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. For the purpose of the 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 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 the interest or interests so omitted, shall be deemed to include such interests 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 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 third (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 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 Section 6 and 7 of Article V, or the Board of Directors, in its discretion, may borrow money to finance the acquisition of such units, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit, together with the Appurtenant 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 the unit by gift, or to devise the unit by will, or to pass the same by intestacy, without restriction.

Section 5. Waiver of Right of Partition with Respect to Such 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 a 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 unit.

ARTICLE VIII

Section 1. Condemnation – Eminent Domain: In the event of a taking by 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 for disbursement **among all unit owners in proportion to their respective common interests after first paying out all common area and facility expenses pertaining to said taking.**

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 unit which, among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid.

Each unit owner shall be permitted to examine all accounts, records and contracts of the Association in the Condominium office at reasonable times, on business days, but not more often than once a month. All others must request any required information from the Board of Directors.

An annual report of the receipts and expenditures of the Association, examined and approved by a licensed accountant not affiliated with the Association and chosen by the Board of Directors, shall be rendered to the Board and sent, within a reasonable time after the end of each fiscal year, to all unit owners who request it.

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 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 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 first class mail 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 described the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender: The use of the gender in these By-Laws shall be deemed to include the **masculine, feminine or non- gender of the unit owner** 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 provisions 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 Board of Directors may appoint a Trustee to distribute large amounts of any insurance proceeds. The trustee so appointed may be any individual or entity, so long as such is properly bonded in relation to the funds and responsibility involved.

ARTICLE XI

Amendments to By-Laws

Section 1. Amendments to By-Laws: Except as hereinafter provided, 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.

ARTICLE XII

Execution of Instruments and Seal

Section 1. Execution and 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 determined by the Board of Directors from time to time.

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.

EXHIBIT I

Rules and Regulations
for
Cowpet Bay West
2012

1. No articles shall be placed on any of the stairways, railings, or entry bridges.
2. Balconies and street-side porches shall be kept neat and clean, and no articles shall be swept or thrown from them. No laundry, laundry lines, or other unsightly articles shall be placed on the balconies, porches or other common areas and facilities.
3. Radio or television antennas are prohibited and no sign, notice, advertisement or illumination shall be displayed on or at any window or other part of the building.

4. No owner shall make or permit any disturbing noises in his unit or within the common areas and facilities, or do anything, or permit anything to be done wherein which will interfere with the rights and reasonable comfort and convenience of other owners.
5. No inflammable, combustible or explosive fluid, material, chemical or substance is permitted in any unit, except for normal household use.
6. Dogs and farm animals are prohibited, and owners will be fined as specified by the Board of Directors. The Association may require removal of any animal when it becomes bothersome to others or is deemed by the Association to be unacceptable.
7. No garbage or trash will be left or disposed of on or adjacent to the property – except in a dumpster, if such is provided by the Association.
8. One space per unit is provided for parking automobiles on the property. Additional vehicles may be allowed by Management based on space availability. Any vehicle not currently registered and licensed will be considered a derelict and will be towed.
9. No boat, trailer, heavy commercial or non-self-propelled vehicle shall be parked on the property. No vehicle shall be parked in any manner restricting passage of any emergency vehicles, such as ambulances, fire trucks, etc. No vehicle shall be parked so as to impede ready movement by another vehicle, nor shall it be parked in any space assigned to another unit without permission of the said unit owner. Any vehicle in violation of these rules may be towed at the vehicle owner's expense.
10. Beach users shall clean up and remove any trash or other articles on the beach for which they are responsible.
11. The use of barbecues on seaside galleries is prohibited.
12. The number of persons occupying a unit on a routine basis is limited to two per bedroom. Additional "guests" are permitted not to exceed thirty days total per year.

Attachment #2

Owners' Common Interest

30 April 1998

Unit Type
%Common Interest

2 Bedroom
.911

Leeward

#1,2,3,4,5,7,8,9,10,11,12
13,14,15,17,18,23,24,25
26,27,28,29,31,32,33,34,
35,36,37,39,40,41

Windward

#3,4,5,6,7,9,10,11,12,13
14,15,16,17,19,20,21,22
25,26,27,28,29,30,31,33
34,35,37,38,39,40,41,47,49

3 Bedroom

1.062

Leeward

#6,16,19,20,21,22,30,38,42
,43,44,49

Windward

#1,2,8,18,23,24,32,36,42,4
3,44,45,51

2 Bedrooms plus Loft

1.193

Leeward: # 46,48

Windward: #

48,50

3 Bedrooms plus Loft

1.376

Leeward: # 50

46,52

Windward: #

4 Bedroom

1.301

Leeward: # 45,47