

Section 5. Other Charges and Fines.

(a) Any charge or fine imposed by the board of directors under subparagraph (d) of Section 2 of Article IV of these By-laws or under subparagraph (a) of Section 6 of Article XII of these By-laws shall be due and payable fifteen (15) days after the date of imposition and notice thereof to the unit owner or at such other time or times as may be provided by the board of directors in imposing the charge or fine, and such charge or fine shall be considered an assessment for the purposes of this Article IX and shall be enforceable in accordance herewith.

(b) There shall be imposed on any delinquent assessment or installment, a late charge of Fifteen Dollars (\$15.00) or one-tenth (1/10th) of the total amount of the delinquent assessment or installment, whichever is greater, provided the late charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least ten (10) days.

Section 6. Assessment Lien. Any unpaid assessment levied against any unit owner under any of the provisions of this Article IX, together with interest thereon at the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate allowed by law, late charges, actual costs of collection, and reasonable attorney's fees, shall constitute a lien against the condominium unit of such unit owner. Unless the law requires otherwise, such lien shall be evidenced by a statement of condominium lien (setting forth the description of the unit, the name of the unit owner, and the amount and period for which due), which statement of condominium lien shall be signed and verified by the President or Vice President of the council of unit owners, or by the manager, as the agent of such association, and recorded among the Land Records of St. Croix. Such statement of condominium lien shall be sufficient for the purposes hereof, if same is in substantially the following form:

STATEMENT OF CONDOMINIUM LIEN

THIS IS TO CERTIFY that ( insert name of unit owner, as same appears from Land Records of St. Croix ), owner of the unit known as ( insert unit number of the unit against which the lien is to be effected ), in Schooner Bay Condominium, is indebted to the council of unit owners in the amount of ( insert amount of all unpaid assessments levied against owner of unit involved ) as of ( insert month, day and year as of which sum due ) for his proportionate share of common expenses of the council of unit owners for the period beginning on ( insert date ), and ending on ( insert date ), plus interest thereon at the rate of ( insert the

applicable interest rate ), a late charge of ( insert amount of late charges ), costs of collection, and reasonable attorney's fees.

SCHOONER BAY CONDOMINIUM ASSOCIATION

By \_\_\_\_\_  
Officer's Title (or Agent)  
Address  
Telephone Number

I hereby affirm under penalties of perjury that the information contained in the foregoing Statement of Condominium Lien is true and correct to the best of my knowledge, information and belief.

\_\_\_\_\_  
Officer (or Agent)

Section 7. Collection of Common Expenses and Other Charges.

(a) If there be any default in payment of the common expenses, other charges or fines, in the manner and at the time or times provided therefor in Sections 4 and 5 of this Article IX, and same shall continue for a period of ten (10) days, the council of unit owners shall have the immediate right: (i) to institute suit for collection of the sum due, with interest thereon at the lesser of eighteen percent (18%) per annum or the highest rate allowed by law, accounting from the date of default; and (ii) to record a statement of condominium lien against the unit of the defaulting unit owner, and proceed forthwith, or at any time after recordation of the statement, to enforce the same through sale, foreclosure, or any other means permitted under the Condominium Act. By the acceptance of any title to, or ownership of, his condominium unit, the unit owner shall be deemed to have expressly: (i) authorized enforcement and foreclosure of the lien of the statement of condominium lien by the council of unit owners, in the same manner, and subject to the same requirements, as the foreclosure of mortgages on real property in the U.S. Virgin Islands, containing a power of sale or an assent to a decree, or both; (ii) assented to the passage of a decree for the sale of his condominium unit after the continuance of his default, following recordation of the statement of condominium lien; and (iii) covenanted, agreed and declared that, after the continuance of his default following recordation of the statement of condominium lien, the then President of the council of unit owners, acting as agent of the unit owners and the natural person authorized to exercise the power of sale on their behalf, shall have the absolute power, right and privilege to sell his

condominium unit in accordance with the laws of the U.S. Virgin Islands relating to foreclosure of mortgages, as such laws are from time to time amended and supplemented; provided, however, that no action may be brought to enforce the lien except after ten days' written notice to the defaulting unit owner, given by certified or registered mail, return receipt requested, at the address of the unit owner shown on the roster or books of the council of unit owners.

(b) Upon any sale hereunder of a condominium unit of a defaulting unit owner, the proceeds shall be applied as follows: first, to the payment of expenses incident to such sale, including a commission to the party making the sale; second, to the payment of the cost of any painting, papering, redecorating, floor finishing, repair or replacement which the board of directors deemed necessary or advisable to render the unit marketable; third, to the payment of all claims of the board of directors or the council of unit owners against the defaulting unit owner, whether the same shall have matured or not; and fourth, the surplus, if any, to said defaulting unit owner, or to whomever may be entitled to the same. It is expressly understood that, at any such sale, the council of unit owners may be a purchaser of the condominium unit, free and clear of any right or equity of redemption of the defaulting unit owner, such right and equity being deemed expressly waived and released.

(c) The council of unit owners shall have the right both to institute suit for collection of the unpaid assessment and to enforce the lien of such assessment against the condominium unit of the defaulting unit owner, provided there be but one satisfaction of the claim. Further, the board of directors shall have the absolute right to suspend the voting rights of any defaulting unit owner at any meeting of the council of unit owners, following recordation of any statement of condominium lien against his unit, which suspension shall remain in full force and effect until the amount necessary to satisfy and release the lien has been paid.

Section 8. User Fees. The board of directors may impose fees against the guests of each unit owner, and the guests of the tenant(s) of each unit owner, for the use of the swimming pool(s), tennis court(s) and other recreational facilities, if any, located on the condominium property, but shall not impose any fee against any unit owner or the tenant of any unit owner for the use of such facilities or of any other general or limited common element, except as otherwise expressly set forth in the Declaration or these By-laws, including, without limitation, Sections 1 and 3 of this Article IX. The board of directors may, however, impose reasonable charges and fines against any unit owner, tenant, or guest for any violation of the Declaration, these By-laws, or any rule or regulation.

Section 9. No Limitation of Remedies. The foregoing enumeration of the rights of the council of unit owners and board of directors is made in furtherance, and not in limitation of the rights and remedies conferred by law upon the council of unit owners, or the board of directors, to collect the common expenses or enforce any lien against the unit of a defaulting unit owner, and is not intended, by mention of any particular right or remedy, to limit or restrict the council of unit owners or the board, which shall have all powers and rights necessary or convenient for collection of the common expenses.

## ARTICLE X

### BOOKS AND RECORDS

The board of directors shall keep the books of the council of unit owners, with detailed accounts in chronological order, noting all receipts and expenditures affecting the property and its administration, and specifying the maintenance and repair expenses of the common elements and any other expenses incurred. A separate account shall be maintained for each condominium unit, showing the amount of each assessment of common expenses against such unit, the date or dates same may be due, the amount paid thereon, and the unpaid balance thereof. Upon any sale or other transfer of a unit, the new unit owner or his agent shall provide to the council of unit owners, to the extent available, the name and forwarding address of the prior unit owner, the name and address of the new unit owner, the date of settlement, and the proportionate amounts of any outstanding condominium fees or assessments assumed by each of the parties to the transaction, and all such information shall be recorded in the assessment account maintained for such unit. The books, together with all bills, statements and vouchers accrediting the entries made thereupon, all other records kept by the board, and copies of the Declaration, condominium plat, By-Laws and rules and regulations, including all amendments thereto, shall be available for examination and copying by any unit owner, any construction mortgagee, and any holder, insurer or guarantor of a mortgage on any unit, and the duly authorized agents or attorneys of such unit owner, construction mortgagee, holder, insurer or guarantor, during normal business hours, and after reasonable notice. All books and records of the council of unit owners shall be kept in accordance with good accounting practices, on a consistent basis, and an outside review or audit shall be made at least once a year. The cost of such review or audit shall be a common expense. A written report summarizing all receipts and expenditures of the council of unit owners shall be rendered semi-annually by the board of directors to the unit owners. Promptly after the close of each fiscal year, an annual report of the receipts and expenditures of the council of unit owners, reviewed or audited by an independent accountant, shall be rendered by the board of directors free of charge to each unit

owner, and to any construction mortgagee or any holder, insurer or guarantor of a mortgage on any unit within a reasonable time after receipt of a written request therefor from such construction mortgagee, holder, insurer or guarantor. In addition to keeping the foregoing financial books and records, the board of directors shall keep detailed records of its actions, minutes of its meetings and minutes of meetings of the council of unit owners.

## ARTICLE XI

### INSURANCE

Section 1. Protective Policies. The board of directors shall procure and maintain, in the name of the manager or board of directors, as trustee for the benefit of the unit owners and the council of unit owners, who shall be deemed the parties insured, policies of insurance in stock insurance companies which are (i) licensed to do business in the U.S. Virgin Islands, and (ii) are customarily acceptable to mortgage lenders in the U.S. Virgin Islands, to the extent reasonably obtainable, as follows:

(a) A blanket property policy covering (i) all common elements, except land, foundations, excavations and other items normally excluded from coverage, (ii) all structural components (including, but not limited to, walls, floors and ceilings) of the units, (iii) all appliances installed by the Developer as standard equipment in or for each unit, such as the standard range, refrigerator, dishwasher, clothes washer and dryer, water heater and thru-the-wall air conditioner, and replacements of like kind and quality, (iv) cabinets, carpets and other floor coverings installed by the Developer as standard cabinets and floor coverings in each unit, and replacements of like kind and quality, (v) interior paint and wallpaper applied by the Developer as standard wall finishing, and replacements of like kind and quality, and (vi) all building service equipment and supplies and other personal property belonging to the council of unit owners. Such policy shall not cover (i) any increase in the replacement cost of a unit or limited common element resulting from the installation by the Developer of an improvement or fixture not common to comparable units or limited common elements within the condominium, and (ii) any improvement, fixture or personal property made or attached to, or brought within, a unit or limited common element by a unit owner, the insurance for these items being the responsibility of the respective unit owners. The blanket policy shall insure against those risks of direct physical loss commonly insured against, including, without limitation, fire, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, falling object, smoke, malicious mischief, vandalism, collapse through weight of water, and other perils normally covered by the standard extended coverage endorsement, and shall be in an amount equal to one hundred percent (100%) of the current replacement cost of the insured property. If any insurable

improvements within the condominium are located within an area in which the purchase of flood insurance is required as a condition for federal or federally related financial assistance, the board of directors shall also obtain blanket insurance against flood loss in an amount not less than the lesser of the maximum coverage available for the property under the National Flood Insurance Program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable common elements located in the flood hazard area. So long as FNMA or the Federal Home Loan Mortgage Corporation (FHLMC) holds a mortgage on any unit in the condominium, each such blanket policy (i) shall include, to the extent required by such holder, an all-risk endorsement, an agreed amount endorsement, an inflation guard endorsement, a demolition cost endorsement, a contingent liability from operation of building laws endorsement, an increased cost of construction endorsement, a steam boiler and machinery coverage endorsement, and such other endorsements as such holder customarily requires, and (ii) shall comply with any other requirements (including, but not limited to, requirements as to deductible amounts) customarily imposed by such holder with respect to blanket property or flood insurance policies of condominium projects. In lieu of the foregoing insurance, the board of directors may procure and maintain such other insurance against loss, damage or destruction of the common elements and the condominium units as shall give substantially equal or greater protection to the unit owners and mortgagees, as their interests may appear.

(b) Such insurance as the board of directors may deem advisable with respect to the machinery, equipment and other fixtures and appliances forming part of any unit or common element, including the air-conditioning fixtures and facilities serving any unit or other improvement of the condominium.

(c) Such insurance as will protect the council of unit owners, and each unit owner, from claims under workmen's compensation acts and other employee benefit acts.

(d) Such insurance as will protect the council of unit owners, the board of directors, officers of the association, the manager, and each unit owner, from claims for damage because of bodily injury, including death, to all others, including employees of the insured, and from claims for damage to property, any or all of which may arise out of or result from ownership of any interest in the condominium or the management or operation of said condominium, or because of any injury or damage sustained on or attributable to the property, including the ownership, maintenance or use of parking areas, driveways, alleys and sidewalks, on or abutting the property. It is intended that the insurance described in this subparagraph be: officers' and directors' liability insurance; and a comprehensive general liability policy endorsed to protect each unit owner and the council of unit owners against all liability arising out of or otherwise attributable to the property, including operation of the premises and parking

areas thereon, products liability, liability attributable to work or other acts of an independent contractor, or let or sublet work, landlord-tenant liability, contractual and all written contract liability, and, if applicable, employer's liability and comprehensive automobile liability. Further, the insurance shall cover the liability of one or more unit owners as parties insured to one or more of the remaining unit owners, though also parties insured. Such public liability insurance shall be in the amount of at least One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. The public liability insurance policy shall be so endorsed as to protect the insured against liability imposed or assumed by any contract.

(e) In all events, each policy of insurance procured under this Section 1 of Article XI shall contain (i) all provisions required by law, (ii) a waiver of the insurer's subrogation rights against each unit owner, and (iii) a waiver of any defense maintainable by the insurer by reason of any coinsurance provision of any policy or by reason of any act or neglect of any unit owner, whether before or after the loss, damage or destruction may occur, and shall provide for the recognition of any insurance trust agreement to which the council of unit owners is a party. Certificates of insurance pertaining to each such policy shall be issued to the council of unit owners, and to each unit owner and mortgagee requesting the same. No such policy of insurance shall be cancelled or substantially modified until at least thirty (30) days after notice thereof has been mailed to the council of unit owners and each unit owner, and to each mortgagee to whom a certificate of insurance has been issued. Further, each policy of insurance shall provide that any unit owner in his own right may procure other insurance, fire, casualty, liability or otherwise, and that such other insurance shall in no wise serve to reduce, abate, diminish or cause any proration in payment of the total loss by the insurer.

(f) The exclusive authority to adjust losses under each policy of insurance procured under subparagraphs (a) and (b) of this Section 1 shall be vested in the board of directors, as trustee for the benefit of all unit owners and the council of unit owners, which authority may be delegated by the board to the manager (the party having such authority shall be known as the "insurance trustee"), and each such policy shall so provide. The insurance proceeds for each loss shall be payable to the insurance trustee, and not to any mortgagee. Each such policy shall contain a standard mortgagee clause, however, and the insurance trustee shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear.

(g) Each unit owner shall furnish such information and execute such application forms as may be required of him in order to procure and maintain any policies of insurance provided for by this Section 1 of Article XI. Additionally, each unit owner shall

notify the board of any addition, alteration or improvement made in or to his unit, so that the board may procure other or additional insurance on account of same, at the expense of said unit owner, if deemed necessary or advisable by the board in its reasonable discretion. A unit owner shall also promptly reimburse the council of unit owners for any premium increase (payable on any policy of insurance held by the council of unit owners) resulting from any non-residential use of such unit owner's unit permitted by Paragraph (b) of Article VI of the Declaration.

(h) The council of unit owners shall maintain and make available for inspection and copying by each unit owner and mortgagee, and the agents of each, and by the contract purchaser of each unit and anyone to whom such contract purchaser has applied for a loan secured by a mortgage on such unit, and the agents of each, all insurance policies maintained by the council of unit owners.

(i) Nothing provided in this Article XI shall prejudice the right of any unit owner to insure his condominium unit on his account and for his own benefit; or to insure himself against liability to others. If the unit owner, however, shall procure fire or other casualty insurance covering his condominium unit or his interest in the condominium, he shall file with the board of directors a duplicate of the insurance policy.

Section 2. Disbursement of Insurance Proceeds. The proceeds of any fire or casualty insurance policy procured under subparagraphs (a) or (b) of Section 1 of this Article XI shall be applied or disbursed in the following manner:

(a) Any portion of the condominium damaged or destroyed shall, to the extent covered by said blanket policy, be repaired or replaced promptly by the council of unit owners substantially in accordance with the architectural, mechanical and other drawings described in Paragraph (c) of Article I of the Declaration, unless:

(i) The condominium regime is terminated pursuant to Paragraph (d) of Article X of the Declaration; or

(ii) Repair or replacement would be illegal under any applicable health, safety, environmental or other law.

(b) The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

(c) Unless the condominium regime is terminated, if any portion of the condominium which is damaged or destroyed is not repaired or replaced, and/or if the insurance proceeds received by the council of unit owners exceed the actual cost of rebuilding the damaged or destroyed property which is rebuilt, then the insurance proceeds attributable to the portion which is not



rebuilt and the excess proceeds attributable to the portion which is rebuilt shall be disbursed as follows:

(i) The insurance proceeds attributable to the damaged or destroyed general common elements which are not rebuilt shall be used to restore the damaged or destroyed portion of the condominium which is not rebuilt to a condition compatible with the remainder of the condominium;

(ii) The insurance proceeds attributable to the damaged or destroyed units and limited common elements which are not rebuilt shall be distributed to the owners of those units and to the unit owners having the right to use those limited common elements; and

(iii) The remainder of the proceeds shall be distributed to all the unit owners in proportion to their respective percentage interests in the common elements.

Each unit owner's share of the insurance proceeds distributed pursuant to items (ii) and (iii) above shall be distributed in accordance with the priority of interests in such unit, to the end and intent that all mortgages and other liens on such unit shall first be paid out of the proceeds payable to such unit owner, all in the order in which same appear.

(d) If the condominium regime is terminated following a fire or other casualty, the property shall be sold and the net proceeds of sale and the net proceeds of insurance shall be combined into one fund, which shall be divided among the unit owners in the manner provided in Article X of the Declaration.

## ARTICLE XII

### MAINTENANCE OF THE PROPERTY

Section 1. Except to the extent otherwise provided in this Section 1 and in Sections 2 and 3 of this Article XII, or in any amendment to the Declaration providing for the cleaning, maintenance, repair and/or replacement of the units and common elements added to the condominium as part of a subsequent stage, the council of unit owners shall be responsible for the cleaning, maintenance, repair and replacement of the common elements, and the cost thereof shall be assessed against the owners of all units as a common expense. The cleaning of a common element includes, among other things, keeping the same free and clear of litter, debris, sand, and any accumulation of water. The board of directors may make any addition, alteration or improvement in or to the common elements, provided that fifteen (15) days' notice of intent to make the same is furnished to each unit owner, and provided further that no such addition, alteration or improvement costing more than Twenty Thousand Dollars (\$20,000.00) shall be

made until such action has been approved by a majority vote of the unit owners. The cost of any such addition, alteration or improvement shall constitute a common expense.

Section 2. Except to the extent otherwise provided in Section 4 of this Article XII, or in any amendment to the Declaration providing for the cleaning, maintenance, repair and/or replacement of the units and common elements added to the condominium as part of a subsequent stage, (a) the owner of each unit shall be responsible, at his own expense, for the cleaning, maintenance, repair and replacement of (i) the windows, doors, doorways, gates and gateways furnishing access between his unit and the common elements adjacent to his unit, and between each vestibule or gallery appurtenant to his unit and the common elements adjacent to such vestibule or gallery, including the casings, seals, glass, louvers, screens and security grills of all such windows, doors, doorways, gates and gateways, (ii) the vestibule at the entrance to his unit, (iii) the wall and ceiling light fixtures, electrical outlets and door chime buttons serving the vestibule and gallery or galleries appurtenant to his unit, and (iv) all electrical wires and other electrical facilities running between his unit and any limited common element(s) appurtenant thereto; and (b) the owner of each unit shall also be responsible, at his own expense, for the cleaning of (i) the exterior stairway landing adjacent to the vestibule at the entrance to his unit, (ii) the stairway running between said landing and the land on the inland (uphill) side of his unit, and (iii) the gallery or galleries appurtenant to his unit. The council of unit owners shall be responsible for (a) the maintenance, repair and replacement of (i) the exterior stairways and their landings, and (ii) the galleries, and (b) for the cleaning, maintenance, repair and replacement of (i) the water lines and other water facilities running between each unit and the meter measuring the flow of water to said unit, and (ii) the electrical wires and other electrical facilities running between each unit (and appurtenant limited common elements) and the meter measuring the flow of electricity to said unit (and said limited common elements). If any unit owner defaults in the performance of any of his obligations under this Section 2, then the board of directors may, but is in no manner required to, remedy such default, in which event the unit owner responsible therefor shall pay the cost thereof to the board promptly upon demand.

Section 3. Except as provided in Section 4 of this Article XII, or in any amendment to the Declaration providing for the cleaning, maintenance, repair and/or replacement of the units and common elements added to the condominium as part of a subsequent stage, each unit owner shall be responsible, at his own expense, for the cleaning, maintenance, repair and replacement of his unit. Further, each unit owner shall be responsible for all damage caused to the common elements or to any other unit by reason of (a) his failure to properly perform any of his obligations under Sections 2 and 3 of this Article XII or under

any Declaration amendment providing for the cleaning, maintenance, repair and/or replacement of the units and common elements added to the condominium as part of a subsequent stage, or (b) any negligence on the part of, or willful act by, such unit owner or his tenants or the family, guests, agents or employees of either.

Section 4. In the event that any damage to, or destruction of, a unit or common element is covered by the blanket property insurance policy held by the council of unit owners, the council of unit owners shall be responsible for the repair and replacement of the damaged or destroyed property pursuant to Section 2 of Article XI hereof.

Section 5. (a) Except as otherwise provided in Article IX of the Declaration, or in subsection (b) of this Section 5, no unit owner, except the Developer, shall make (i) any structural addition, alteration or improvement to his unit or to any limited common element which he has the right to use, or (ii) any non-structural addition, alteration, improvement or decoration to or of any limited common element which he has the right to use, including, without limitation, the addition of any awning or screen to any window, vestibule or gallery, unless and until plans and specifications, in duplicate, showing the nature, kind, shape, height, color, materials, location and approximate cost of such addition, alteration, improvement or decoration shall have been submitted to and approved in writing by the board of directors, which shall have the right to refuse for good cause to approve any such plans or specifications which it deems unsuitable or undesirable, whether based on aesthetic or other reasons, provided, however, that if the board of directors fails to deny said request within sixty (60) days after receipt of two complete sets of plans and specifications, such request shall be deemed approved. The board of directors may delegate its authority under this subsection (a) to an architectural committee appointed by the board of directors.

(b) The board of directors may adopt reasonable rules and regulations pursuant to Article XV hereof establishing general standards for the making of one or more types of non-structural additions, alterations, improvements or decorations to or of the limited common elements and such rules and regulations may provide that to the extent any particular addition, alteration, improvement or decoration is made in compliance with such general standards, such addition, alteration, improvement or decoration may be made without the submission of plans and specifications therefor to the board of directors and without written approval by the board of directors of said plans and specifications.

Section 6. (a) The council of unit owners shall obtain water from cisterns located within the condominium. The council of unit owners shall obtain from the local government all additional water necessary for the operation of the condominium, and shall pay for such additional water as a common expense. The

council of unit owners shall in turn furnish water to each unit owner on a metered basis, and shall charge each unit owner on a monthly, quarterly or other periodic basis for all water furnished to his unit at a rate per gallon (or other measure of usage) not to exceed the rate paid by the council of unit owners for the water supplied by the local government. If the local government charges the council of unit owners two or more different rates depending upon the volume of usage, the rate charged by the council of unit owners shall not exceed the highest rate charged by the local government. If no water is obtained from the local government during a period for which the unit owners are to be billed, the rate charged by the council of unit owners (for cistern water) shall not exceed the rate (or highest rate, if more than one) most recently charged to the council of unit owners by the local government. The council of unit owners shall also charge the unit owners for the costs of administering, operating, cleaning, maintaining, repairing and replacing the water supply system at the condominium, and such charges shall be allocated among the unit owners in the same proportions as the water charges are allocated.

(b) Electricity shall be furnished to the general common elements through meters held by the unit owners in common, and the board of directors shall promptly pay, as common expenses, all charges for the electricity furnished through said meters. Electricity shall be furnished to the condominium units (and the appurtenant vestibules and galleries) through separate meters, and each unit owner shall promptly pay for all electricity furnished through a separate meter to his unit (and the vestibule and gallery or galleries appurtenant thereto).

(c) Cable TV services shall be furnished to the condominium units through facilities held by the unit owners in common, and the board of directors shall promptly pay, as common expenses, all charges for the cable TV services furnished through said common facilities.

### ARTICLE XIII

#### PARKING SPACES

All parking spaces located within the condominium shall be for the use of all unit owners, in common. The use of all parking spaces shall be subject to reasonable rules and regulations adopted by the board for maintenance and operation of the parking spaces. All provisions of this Article XIII shall be subject to the rights of the Developer set forth in Articles I, VIII and IX of the Declaration.

ARTICLE XIVRULES AND REGULATIONS

For the purpose of creating and maintaining a uniform scheme of development and operation of the condominium project for the benefit of each unit owner, his respective personal representatives, heirs, successors and assigns, the common elements and each condominium unit shall be held subject to the following rules and regulations:

Section 1. (a) All leases of units shall be subject to the Declaration, Condominium Plat, By-Laws, and all rules and regulations adopted pursuant to Article XV of the By-laws, as each such document may be amended from time to time (collectively, the "Condominium Documents"), (b) any breach or violation of any Condominium Document by the tenant shall constitute a default under the lease, and (c) the tenant (as well as the landlord) shall be directly liable to, and subject to enforcement action(s) by, the council of unit owners for any breach or violation by the tenant of any Condominium Document. Each lease for a term of thirty (30) days or more shall be in writing and shall set forth, and provide for the tenant's acknowledgement of, each of the provisions of the preceding sentence. The owner of any unit leased for a term of thirty (30) days or more shall promptly deliver to the board of directors a copy of the form of lease used, and a copy of each amendment which is made thereto from time to time. The council of unit owners, through the board of directors, shall be entitled, but not obligated, to attorn to, and exercise, the rights of any unit owner, as the landlord under any written or oral lease of a unit, and upon any breach or violation by the tenant of any Condominium Document, the board of directors, after notice to the unit owner and tenant of such breach or violation, and the failure of such unit owner and tenant to correct the same within a reasonable time thereafter, shall be entitled, but not obligated, to summarily evict the tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenements in redress of a breach or violation of a lease.

Section 2. No advertisement, poster, sign or other informational material may be displayed upon any general or limited common element, except as authorized by the council of unit owners or as permitted by Article IX of the Declaration.

Section 3. No car, motorcycle, motor scooter, motorbike, moped or other motor vehicle or bicycle shall be parked or stored on or in any general or limited common element, except for the parking spaces and/or storage areas expressly provided for such purpose. Except as otherwise provided in Article IX of the Declaration, no commercial vehicle or inoperative vehicle of any kind shall be parked or stored on any parking area or other general or limited common element. For the purposes hereof, an

automobile shall be deemed inoperable unless it contains all parts and equipment, including properly inflated tires, in such good condition and repair as may be necessary for any person to drive the same on a public highway. No motor vehicle shall be washed, rinsed, waxed or repaired on the property.

Section 4. All unit owners, tenants and other occupants of the units shall comply with all terms, conditions, restrictions and provisions of the Condominium Documents. Furthermore, no noxious trade or activity shall be carried on upon the property, nor shall anything be done upon the property which may be or become (a) a violation of any health, fire, police, or other governmental law, rule or regulation, including, without limitation, the National Flood Insurance Act of 1968 and any regulations adopted thereunder, or (b) a nuisance or annoyance to the unit owners or neighborhood. Any violation of any law, order, rule, regulation or requirement of any governmental authority or agency, or of any term, condition, restriction or provision of the Condominium Documents, shall be remedied by and at the expense of the unit owner or unit owners whose unit or units are the subject of such violation.

Section 5. No noise, disturbing to the unit owners, shall at any time be made upon the property, and nothing shall be done or permitted to be done in or about the common elements, or any unit, that interferes with, obstructs or violates the rights, reasonable comforts or convenience of the unit owners.

Section 6. Nothing shall be kept in any condominium unit or limited common element which may in any way increase the rate of fire insurance on the property beyond the rate established therefor when and as used for the purposes permitted under the Declaration and By-laws; and further, nothing shall be done or permitted to be done that will conflict with any fire law, rule or regulation; specifically, but not by way of limitation, no gasoline or other highly inflammable material or substance shall be kept in any condominium unit or limited common element.

Section 7. No dog, cat, bird, fish or other animal of any kind shall be raised, bred or kept upon the property without the prior written consent of the board of directors. Furthermore, no animal permitted by the board shall be raised, bred or kept for commercial purposes, and no such animal shall be retained after notice from the board to remove it from the property for a reasonable cause, stated in the notice. All unit owners raising, breeding or keeping one or more animals shall comply with all applicable laws pertaining to the raising, breeding and keeping of such animal(s).

Section 8. The common stairways, walkways and parking areas shall be used for ingress and egress only, and children shall not be permitted to play therein or thereon, nor shall same be used in any manner for picnicking or cooking, or for permanent

or temporary storage of any article of personal property, or of any bottles, trash or garbage, nor shall any of the foregoing ever be permitted to remain or stand on the stairways, walkways or parking areas. Lawns and landscaped areas shall not be used for sunbathing, picnicking, play, or similar purposes. No grill or other cooking apparatus shall be operated in any vestibule or gallery.

Section 9. No portion of the common elements shall be in any manner defaced, nor shall same be utilized for the making of connections of any sort for radio, television, or other devices or equipment of any kind, all of which connections are specifically prohibited, except to the ordinary electric outlets furnished within condominium units and limited common elements, and except additional electric outlets which may be installed with the consent of the board of directors. Further, the common elements shall be used only for the purposes for which same were installed and none of said common elements shall be loaded or taxed beyond the capacity for which designed.

Section 10. No vermin, insects, or other pests shall be allowed to remain in any condominium unit or limited common element, nor shall any such unit or limited common element be permitted to remain in an unclean or unsanitary condition. In order to assure compliance with this subparagraph, the board of directors, its agents, servants, employees and contractors may enter any unit or limited common element at any reasonable hour of the day, after reasonable notice, for the purpose of inspecting such unit or limited common element (and any common element accessible from said unit or limited common element) for the presence of any vermin, insects or other pests, and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

Section 11. No bottles, trash or garbage shall be discarded or temporarily or permanently stored upon any common element, except in the disposal facilities provided for such purpose.

Section 12. Neither clothing, curtains, rugs, towels, or other articles shall be shaken from or on the windows, doors, galleries or general common elements, nor shall anything be placed on or hung from outside window, door, gate, vestibule, stairway landing, stairway or gallery sills, ledges or railings, or thrown from windows, doors, gates, vestibules, stairway landings, stairways, galleries or the general common elements.

## ARTICLE XV

### ADOPTION OF RULES AND REGULATIONS BY THE BOARD OF DIRECTORS

Section 1. Subject to the provisions of this Article XV, the council of unit owners, acting through the board of directors,

may adopt reasonable rules and regulations for the care and preservation of the common elements, the comfort, health, safety and general welfare of the unit owners, and the efficient operation of the condominium project, including, without limitation, rules and regulations applicable to deliveries by or to the unit owners, the moving of furniture or furnishings into or out of condominium units, and the maintenance and operation of the parking spaces. All rules and regulations adopted pursuant hereto shall supplement the rules and regulations set forth in the By-laws, but in the event of any conflict between the two, the rules and regulations set forth in the By-laws shall take precedence over the rules and regulations adopted pursuant hereto.

Section 2. At least fifteen (15) days prior to any regular or special meeting of the board of directors at which it is contemplated that a proposed rule or regulation will be voted upon, written notice of such meeting shall be given to each unit owner. Such notice shall include (a) the date, time, location and subject of the meeting, (b) a copy of the proposed rule or regulation, (c) notice that unit owners are permitted to submit written comments on the proposed rule or regulation to the Secretary of the council of unit owners (who shall deliver all such written comments to the board of directors at or prior to the meeting of the board of directors at which the proposed rule or regulation is to be voted upon), and (d) notice of the proposed effective date of the proposed rule or regulation.

Section 3. A quorum of directors shall be present at such meeting, which shall be open to all unit owners. After all unit owners attending such meeting have had the opportunity to comment on the proposed rule or regulation and any modification thereof which is proposed at such meeting, the board of directors may, by the vote of majority of the directors present and voting, adopt the proposed rule or regulation or any such proposed modification thereof. On the request of any director, the yeas and nays shall be taken and entered on the minutes.

Section 4. Any rule or regulation adopted by the board of directors pursuant to the procedure set forth in this Article XV may be modified or repealed by the board of directors pursuant to the same procedure.

Section 5. The board of directors shall determine the effective date of the adoption, modification or repeal of any such rule or regulation (which effective date may differ from the proposed effective date set forth in the notice given to the unit owners pursuant to Section 2 above), provided that no such adoption, modification or repeal shall become effective until at least five (5) days after written notice of such adoption, modification or repeal, including a copy of such rule or regulation and disclosure of such effective date, has been mailed or personally delivered to each unit owner or placed at a location (on the general common elements) previously designated by the



board of directors (by written notice to the unit owners) for the communication of such rules and regulations.

## ARTICLE XVI

### DISPUTE RESOLUTION

Section 1. If there be any dispute concerning rules and regulations or any other matter related to the condominium, between the council of unit owners, the board of directors or manager of the condominium, on the one part, and any unit owner, tenant, or other occupant of a unit, on the other part, either party may seek relief by appropriate judicial proceedings, either an action at law for damages, or a suit in equity to enjoin a breach or violation, or to enforce performance, of any rule, regulation or other obligation. The prevailing party in any such proceeding shall be entitled to an award for counsel fees and other litigation expenses at the discretion of, and to the extent determined by, the court.

Section 2. All of the rules and regulations set forth in Article XIV of these By-laws or adopted by the board of directors pursuant to Article XV of these By-laws shall be held and construed to run with and bind the common elements and each condominium unit located on the property and all unit owners, tenants and other occupants of such units, their respective heirs, personal representatives, successors and assigns, forever, all except as otherwise expressly set forth in said rules and regulations. Said rules and regulations shall inure to the benefit of and be enforceable by the Developer, council of unit owners, board of directors or manager against anyone violating or attempting to violate any of said rules and regulations. Furthermore, and in any event, the board of directors, for itself, its agents, servants, employees and contractors, after notice to a unit owner of any breach or violation of any rule or regulation within his unit or within or upon any limited common element which he has the right to use, and the failure of said unit owner to correct the same within a reasonable time thereafter, shall have the right to enter said condominium unit or limited common element and, at the expense of said unit owner, summarily abate or remove the breach or violation occurring in said unit or limited common element, provided, however, that appropriate judicial proceedings shall be instituted before any item of construction can be altered or demolished.

## ARTICLE XVII

### MORTGAGES

Section 1. Notice to Board of Directors. (a) Each unit owner whose unit is subjected to the lien of any mortgage shall

(and any holder, insurer or guarantor of such mortgage may) give written notice thereof to the board of directors, setting forth the name and address of the mortgagee (or such holder, insurer or guarantor, as applicable), and the unit number of the mortgaged unit, and submitting a conformed copy of such mortgage and the note secured thereby, if any. Whenever any unit is released from a mortgage, the unit owner shall (and the mortgagee may) give the board of directors written notice thereof, together with a conformed copy of the recorded release. The board of directors shall maintain all such mortgage information in a book or other record designated "Mortgage Book".

(b) Whenever the Developer obtains a construction loan of the type described in Subparagraph (1)(iv) of Article I of the Declaration, the Developer shall (and the construction mortgagee may) give written notice thereof to the board of directors, setting forth the name and address of the construction mortgagee. Whenever the mortgage securing any construction loan is released in full, the Developer shall (and the construction mortgagee may) submit a conformed copy of the recorded release to the board of directors. The board of directors shall maintain all such construction loan information in the Mortgage Book.

## Section 2. Notice and Information to Mortgagees.

(a) The board of directors shall furnish to each mortgage holder, insurer and guarantor of record in its "Mortgage Book" timely written notice of: (i) any condemnation loss or casualty loss which affects a material portion of the condominium or which affects the unit securing the mortgage of such holder, insurer or guarantor; (ii) any delinquency in the payment of assessments or charges owed by the owner of the unit securing the mortgage of such holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the council of unit owners; (iv) any proposed action which would require the consent of a specified percentage (such as a majority, 66-2/3%, 80% or 100%) of the eligible mortgagees or of all mortgagees; and (v) the giving of any default or violation notice by the council of unit owners to the owner of the unit securing the mortgage of such holder, insurer or guarantor.

(b) Upon the specific written request of the holder, insurer or guarantor of any mortgage, the board of directors shall promptly furnish to said holder, insurer or guarantor any information to which the owner of the mortgaged unit may be entitled, including, without limitation, information as to the status of (i) any assessment, (ii) the performance of any obligation imposed under the Declaration, these By-Laws, or the rules and regulations of the condominium, and (iii) any default or violation of any kind or nature which may exist or be outstanding on the part of the owner of the mortgaged unit.

(c) The board of directors shall furnish to each construction mortgagee of record in its "Mortgage Book" timely written notice of (i) any condemnation loss or casualty loss which affects a material portion of the condominium; (ii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the council of unit owners; and (iii) any proposed action which would require the consent of all construction mortgagees.

## ARTICLE XVIII

### GENERAL PROVISIONS

Section 1. Notice. All notices required or permitted to be given under the Declaration or these By-laws shall be deemed to be properly served if sent by regular mail: to the Board of Directors, at the mailing address of the council of unit owners as provided in Section 3 of Article I hereof; to each unit owner, at his unit or at such other address as may be specified therefor on the roster or books of the condominium; and to the mortgagee of any unit owner at the address thereof furnished to the board of directors and recorded in its "Mortgage Book", but any unit owner or mortgagee may, at any time, by written notice to the board of directors, stipulate a different address.

Section 2. Waiver. The failure of the council of unit owners, or any unit owner, or the board of directors, or the manager, in any one or more instances, to enforce or otherwise insist upon the strict performance of any restriction, condition, obligation or provision of these By-laws, or the failure of any such party to exercise any right, shall not be construed as a waiver or relinquishment for the future, whether in the same or in any other instance, of the benefit of such restriction, condition, obligation, provision or right, but the same shall remain in full force and effect unless expressly waived in writing.

Section 3. Captions. Captions are inserted in these By-laws as a matter of convenience and to facilitate reference to the provisions hereof. Said captions are not intended to define, describe or limit the scope of these By-laws, or any term, condition, or provision hereof, and shall have no effect whatsoever in resolving any construction or interpretation of the By-laws.

Section 4. Amendment of By-laws. These By-laws may be amended at any annual meeting of the council of unit owners, the notice of which meeting need not mention the proposed amendment, or at any special meeting thereof, the notice of which shall set forth the terms of the proposed amendment, by the affirmative vote of the unit owners having two-thirds (2/3) or more of the votes appurtenant to all units, provided that all construction mortgagees and eligible mortgagees shall be given written notice

of such amendment prior to the recordation thereof, and further provided that any amendment to the By-laws involving a "material change" (as such term is defined in Paragraph (a) of Article X of the Declaration) shall also require the approval of each construction mortgagee and the affirmative vote of a majority of the eligible mortgagees, each such eligible mortgagee to have the number of votes appurtenant to the unit or units upon which it holds a mortgage or mortgages. Each particular required in the By-laws by the Condominium Act shall be set forth in the By-laws as so amended. No amendment to the By-laws shall take effect unless evidenced by an appropriate written instrument or instruments, which shall be (a) signed by the President or Vice President of the council of unit owners, (b) accompanied by a certificate of the Secretary of said council of unit owners, stating (i) that such amendment to the By-laws was approved by unit owners having at least two-thirds (2/3) of the votes appurtenant to all units, (ii) that all construction mortgagees and eligible mortgagees were properly notified of such amendment, and (iii) that, if required pursuant to Paragraph (a) of Article X of the Declaration, such amendment was approved by each construction mortgagee and by a majority of the eligible mortgagees, each such eligible mortgagee having the number of votes appurtenant to the unit or units upon which it holds a mortgage or mortgages, and (c) recorded in the Office of the Recorder of Deeds for St. Croix. The certificate of the Secretary as to the approval of said amendment by the unit owners, as to the giving of notice of said amendment to the construction mortgagees and eligible mortgagees, and as to the approval, if any, of said amendment by the construction mortgagees and eligible mortgagees, shall be conclusive evidence of all such approvals and notifications.

Section 5. Invalidity. If any term, condition, restriction or provision of these By-laws or the application thereof to any person or circumstance shall, at any time or to any extent, be held to be invalid or unenforceable, the validity and enforceability of the remainder of these By-laws, or the application of such term, condition, restriction or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, restriction and provision of these By-laws shall be valid and be enforced to the fullest extent permitted by law.

WITNESS the hand of the Developer as of the day and year first above written.

WITNESS:

ANTILLES INVESTMENT CORPORATION

W

By: CPB  
C. Peter Behringer, President

[SIGNATURES CONTINUED]

[SIGNATURES CONTINUED]

ATTEST: Susan B. [Signature]  
Secretary

TERRITORY OF THE VIRGIN ISLANDS

JUDICIAL DIVISION OF

The foregoing instrument was acknowledged before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ by C. Peter Behringer,  
President of Antilles Investment Corporation, a U.S. Virgin Islands  
corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

