

ARTICLES OF AMENDMENT AND RESTATEMENT

OF

SCHOONER BAY RECREATION ASSOCIATION, INC.

THIS IS TO CERTIFY THAT:

FIRST: Schooner Bay Recreation Association, a corporation formed pursuant to the Code of Laws of the Virgin Islands of the United States (the "Corporation"), desires to amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: The following provisions are all of the provisions of the charter currently in effect and as hereinafter amended:

1. NAME: The name of the Corporation is:

Schooner Bay Recreation
Association, Inc.

2. EXISTENCE: The term of existence of the Corporation commenced upon the acceptance for filing of the Articles of Incorporation with the proper authorities in the Virgin Islands of the United States, on June 2, 1986, and shall be perpetual.

3. PURPOSE: The nature of the business of the Corporation and its powers and purposes are:

a) To engage in any legal business activities and to possess all powers and do all things necessary in the conduct of such business;

b) To acquire, own, and operate on a not-for-profit basis certain recreational facilities for the benefit and use of the unit owners of Schooner Bay Condominium; and

c) In general, to do all and everything necessary, proper and incidental to and for the accomplishment and attainment of the purposes enumerated; to do any or all things herein set forth to the same extent as natural persons might do, either alone or in conjunction with any other persons, firms, associations, trusts, estates or corporations.

The foregoing clauses shall be construed as general objects, purposes and powers, and shall not be held to limit or restrict in any manner the powers of the Corporation permitted by law.

4. MEMBERSHIP: The Corporation is not authorized to issue capital stock. The membership of the Corporation shall consist of the unit owners of Schooner Bay Condominium. Members shall be admitted at such time as they take legal title to one or more units in Schooner Bay Condominium. Until such time as Schooner Bay Condominium is created, C. Peter Behringer and Susan B. Bastress shall constitute the membership of the Corporation.

5. OFFICE: The principal office or place of business of the Corporation shall be Suite 11, Caravelle Arcade, Christiansted, St. Croix, U. S. Virgin Islands 00820.

6. RESIDENT AGENT: The Corporation's resident agent shall be Adam Hoover, whose address is Suite 11, Caravelle Arcade, Christiansted, St. Croix, U. S. Virgin Islands 00820.

7. INDEBTEDNESS: The maximum amount of indebtedness or liability to which the Corporation shall at any time be subject voluntarily shall be \$6,000,000.00.

8. DIRECTORS AND OFFICERS: The Corporation shall have such number of directors as shall from time to time be set forth in the By-laws, but at no time shall the number be less than three. At least one director shall be a resident of a U.S. Possession. Directors shall be elected at the times and in the manner provided in the By-laws. The initial directors are:

C. Peter Behringer
Susan B. Bastress
William Sullivan

The officers of the Corporation shall be appointed from time to time by the directors as provided in the By-laws. The initial officers of the Corporation and the offices they hold are:

C. Peter Behringer - President
William Sullivan - Vice President
Susan B. Bastress - Secretary and Treasurer

9. INDEMNIFICATION:

(a) The Recreation Association shall indemnify any individual who (i) is a present or former director or officer of the Recreation Association or

(ii) serves or has served another association, corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director or officer, or as a partner or trustee of such partnership or employee benefit plan, at the request of the Recreation Association, and who by reason of service in that capacity was, is or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted under the Virgin Islands Code, as amended from time to time. The Recreation Association may, with the approval of its Board of Directors, provide such indemnification for any employee or agent of the Recreation Association.

(b) The Recreation Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Recreation Association, or is or was serving any other entity at the request of the Recreation Association, in any capacity, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Recreation Association would have the power to indemnify him against such liability under the provisions of Paragraph (a) of this Article 9.

(c) The indemnification provided by Paragraph (a) of this Article 9 shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any By-law, agreement, vote of disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

10. INCORPORATORS: The names and addresses of the persons forming this Corporation are as follows:

<u>Name</u>	<u>Address</u>
Winston A. Hodge	2 E. Bellevue Christiansted, St. Croix
Peter R. Ross	20 All for the Better Christiansted, St. Croix
Kevin A. Rames	78 Flamboyant Welcome Christiansted, St. Croix

11. QUALIFICATION AS AN ELIGIBLE COOPERATIVE: Notwithstanding anything herein to the contrary, the Corporation is intended to qualify as an "eligible

cooperative" pursuant to Section 105 of the National Consumer Cooperative Bank Act, as amended (the "Bank Act"). Accordingly, the Corporation:

(a) shall make goods, services or facilities directly or indirectly available to its Members on a not-for-profit basis;

(b) shall not pay dividends on voting stock or membership capital in excess of such percentage per annum as is or will be approved under the bylaws of the National Consumer Cooperative Bank;

(c) shall handle its net savings (as determined under Section 105(c) of the Bank Act) in any of the following methods: (i) allocate or distribute such net savings to all Members or patrons in proportion to their patronage, (ii) retain such net savings for the actual or potential expansion of its services, or the reduction of its charges to the patrons, or (iii) use such net savings for such other purposes as may be duly authorized by the Corporation's membership not inconsistent with the Corporation's purposes;

(d) shall make membership in the Corporation available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations; and

(e) shall take such other action or execute such other documents as may be necessary for, or incidental to, its qualification as an eligible cooperative under the Bank Act.

12. Dissolution: Notwithstanding the provisions of Article 2 hereof, the Corporation may be dissolved in accordance with the laws of the U.S. Virgin Islands, provided such dissolution first be authorized in writing by (a) at least seventy-five percent (75%) of the

Members of the Corporation, (b) at least sixty-seven percent (67%) of the Eligible Mortgagees (as such term is defined in the Declaration of Covenants, Conditions and Restrictions executed by Antilles Investment Corporation, dated February 13, 1987, and recorded at the Office of the Recorder of Deeds for St. Croix as Document No. _____, which document is herein called the "Declaration"), each such Eligible Mortgagee to have one vote, and (c) each Construction Mortgagee (as such term is defined in the Declaration). Upon any dissolution of the Corporation, the Corporation's liabilities shall be discharged, and all remaining assets (the "Remaining Assets") of the Corporation shall be conveyed to the unit owners of Schooner Bay Condominium (the "Condominium") to be held by them (and by their respective successors and assigns as unit owners) as tenants in common, each such unit owner to have an undivided percentage interest in the Remaining Assets equal to his percentage interest in the common elements of the Condominium. Such undivided interest in the Remaining Assets shall run with the land (and thus, shall run with, and be appurtenant to, the ownership of the unit owned by said unit owner), until such time, if any, as the condominium regime of the Condominium is terminated, at which time the Remaining Assets shall be sold with the units and common elements of the Condominium, and the proceeds thereof shall be distributed among the unit owners as provided in the documents establishing the Condominium. All Members, by the acceptance of the deeds to their units in the Condominium, waive the right to obtain a partition of the tenancy in common into which the Remaining Assets are placed during the period beginning upon the dissolution of the Corporation and ending upon the termination of the condominium regime of the Condominium.

13. Amendment of Articles of Incorporation:

The Articles of Incorporation may be amended when authorized by a vote of at least two-thirds (2/3) of the Members of the Corporation, given at a meeting, or by the written consent of all Members without a meeting. In addition, any amendment to the Articles of Incorporation involving a "Material Change" (as such term is defined in Paragraph 2 of Article 11 of the Declaration) must be agreed to by each Construction Mortgagee and by a majority of the Eligible Mortgagees, each such Eligible Mortgagee to have one vote. Such amended Articles of Incorporation shall be executed and acknowledged by the President or Vice President of the Corporation.

THIRD: The amendment to and restatement of the Articles of Incorporation of the Corporation as hereinabove set forth has been approved by the unanimous written consent of all of the Members of the Corporation as required by law.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name

and on its behalf by its President and attested to by its Secretary on this 16th day of FEBRUARY, 1987.

ATTEST:

SCHOONER BAY RECREATION ASSOCIATION, INC.

Susan B. Bastress
Susan B. Bastress,
Secretary

By: [Signature]
C. Peter Behringer,
President

ACKNOWLEDGMENT

TERRITORY OF THE VIRGIN ISLANDS)
DIVISION OF ST. CROIX) SS:

BE IT REMEMBERED that on the _____ day of _____, 1987, personally came before me, a Notary Public for the Virgin Islands, the following persons:

C. Peter Behringer
Susan B. Bastress

who acknowledged that they executed the foregoing Articles of Amendment and Restatement for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public