

EXHIBIT C
BY-LAWS
OF
WATERGATE VILLAS EAST
(Formerly Watergate Villas, Section 3, 4 and 5)
Bolongo
St. Thomas, Virgin Islands

At a special meeting of the owners of Watergate Villas East on 21 July, 1993, these By-Laws were approved in their entirety to replace the By-Laws originally included as Exhibit C of the Agreement and Declaration. 80 owners holding 82.146% of the ownership interest approved this change.

ARTICLE I

Plan of Apartment Unit Ownership

Section 1. Apartment Unit Ownership.

The property described in Parcels Nos. 55A, 55B, 56A, 56B, 59A, 59B and 59C Estate Bolongo, No. 3 Frenchman's Bay Quarter, St. Thomas, Virgin Islands, previously submitted to the provisions of Chapter 33, Title 28 of the Virgin Islands Code, known as the "Condominium Act of the Virgin Islands" (the "Condominium Act"), has been resubmitted by the Agreement and Declaration recorded at the office of the Recorder of Deeds for St. Thomas and St. John, Charlotte Amalie, St. Thomas, Virgin Islands, and which Condominium is known as "Watergate Villas East", (hereinafter sometimes called the "Condominium").

Section 2. Applicability of By-Laws.

The provisions of these By-Laws are applicable to the Property of the Condominium and the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the apartment units and the common areas and facilities), owned in fee simple absolute and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which have been 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 and occupants of apartment units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

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

Section 4. Office.

The Office of the Condominium and the Board of Directors shall be located at.

WATERGATE VILLAS
BOLONGO BAY
ST. THOMAS, U.S. VIRGIN ISLANDS 00801

ARTICLE II

Board of Directors

Section 1. Number and Qualifications.

The affairs of the Condominium shall be governed by a Board of Directors which shall be composed of no less than three nor more than five persons, all of whom shall be owners or spouses of owners, or mortgagees of apartment units, except that, in the case of owners or mortgagees which are (i) partnerships, such persons shall be general partners of such partnership, (ii) corporations, such persons shall be officers or stockholders of such corporations, or (iii) fiduciaries, such persons shall be the fiduciaries or officers of such fiduciaries.

Section 2. Powers and Duties.

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

- (a) Operation, care, upkeep and maintenance of the common areas and facilities.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of the common charges (which for the purpose of these By-Laws shall mean such portion of the common expenses as are payable by the respective unit owners) from unit owners, and service fees levied in connection with the late payment of such expenses.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.
- (e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property.
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefore.
- (g) Purchasing, leasing or otherwise acquiring in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, apartment units offered for sale or surrendered by their owners to the Board of Directors.
- (h) Purchasing of apartment units at foreclosure or other judicial sales in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners.
- (i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with apartment units acquired by, and subleasing apartment units leased by the Board of Directors, or its designee, corporate or otherwise, on behalf of all unit owners.
- (j) Organizing corporations and other entities to act as designees of the Board of Directors in acquiring title to or leasing of apartment units on behalf of all unit owners.
- (k) Obtaining of insurance for the Property, including the apartment units pursuant to the provisions of Article V, Section 2 hereof.
- (l) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

- (m) Purchasing, leasing, or otherwise acquiring in the name of the unit owners association, or such other designee of the Board of Directors, corporate or otherwise, on behalf of all unit owners, such personal and real property as the Board of Directors deems appropriate.

Section 3. Managing Agent and Manager.

The Board of Directors may employ for the Condominium a managing agent and/or a manager for compensation to be 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, some or 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, as to real property (m) of Section 2 of this Article II.

Section 4. Election and Term of Office

At each annual meeting of the unit owners, members of the Board of Directors (who shall be no less than three nor more than five as the unit owners shall determine) shall be elected to serve staggered terms of three years, the directors to be elected initially for such term, not to exceed three years, as the unit owners determine. Each director shall be elected by the vote of a majority of unit owners, as hereinafter defined in Section 9 of Article III. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners and shall have agreed to serve.

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 member of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, may filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held

for that purpose, even though the members present at such a meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors, until a successor to serve the remainder of the term of the member so replaced shall be elected at the next annual meeting of the unit owners and shall agree to serve.

Section 7. Meetings.

Meetings of the Board of Directors may be held at such time and place (including meetings by telephone conferencing) 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. Meetings of the Board of Directors may be called by the President upon five (5) business days notice to each member of the Board of Directors, given by mail, facsimile reproduction or telegraph, which notice shall state the time, place and purpose of the meeting. 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 (2) members of the Board of Directors.

Section 8. 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 in person or by telephone 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 (in person or by telephone) at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum of Board of Directors.

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

Section 10. Fidelity Bonds.

The Board of Directors, in their discretion, may obtain 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 11. Compensation.

No member of the Board of Directors shall receive any compensation from the Condominium for acting as such, but shall be entitled to reimbursement for all expenses reasonably incurred on behalf of the Condominium.

Section 12. 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 Condominium, unless such contract shall have been made in bad faith or contrary to the provisions of the Declaration or 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 Condominium. 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 such owner's interest in the common areas and facilities bears to all such interests. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Property may provide that the members of the Board of Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners) and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to all such interests. Failure to so provide in an agreement shall not be interpreted as creating personal liability.

ARTICLE III

Unit Owners

Section 1. Annual Meetings

The annual meetings of the unit owners shall be held on such date in each year as designated by the Board of Directors. At such meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting.

Meetings of the unit owners shall be held in St. Thomas, Virgin Islands, or at such other place in the continental United States 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 unit owners holding not less than twenty-five percent (25%) of the common interest in the Condominium in the aggregate. The notice of any special meeting shall state the time and place of such meeting as set by the Board of Directors and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings.

It shall be the duty of the Secretary to post a notice of each annual or special meeting of the unit owners at least ten but not more than thirty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, in a prominent location in the common area, or at the office of the Condominium. The posting of a notice of meeting in the manner provided in this section shall be considered service of notice. Mailing such notice to each unit owner at the unit owner's address in the records of the Condominium within such time frame shall be required, and, to the extent not prohibited by law, shall be a substitute for posting.

Section 5. Order of Business.

The order of business at all meetings of the unit owners, unless otherwise determined by the Board of Directors, shall be as follows:

- (a) Roll call.
- (b) .Reports of officers.
- (c) Report of Board of Directors.
- (d) Election of members of the Board of Directors (when so required).
- (e) Unfinished business.
- (f) New business.

Section 6. Voting.

The owner or owners of each apartment unit, or some person designated in writing by such owner or owners to act as proxy on their behalf, and who need not be an owner, but shall be (a) the spouse or adult child or grandchild of an owner, (b) a partner of a partnership owner, (c) a shareholder or officer of a corporate owner, (d) the fiduciary, beneficiary or officer of a fiduciary owner, or (e) a member of the Board of Directors, shall be entitled to cast the vote appurtenant to such apartment unit at all meetings of unit owners. Any or all of such owners may be present at any meeting of the unit owners and (those owners constituting a group must act unanimously), may vote or take any other action as a unit owner either in person or by proxy. The total number of votes of all unit owners shall be 100,000 and each unit owner (including the Board of Directors, if the unit owner's association, or its designee, shall then hold title to one or more apartment units) shall be entitled to cast one vote at all meetings of unit owners for each .001 percent of interest in the common areas and facilities applicable to such owner's apartment unit.

Section 7. Proxies.

Proxies shall be in writing, shall be dated no earlier than six (6) months before the meeting for which said proxy is given, and shall specify both the matters for which the proxy is given and the votes to be cast thereon; provided, however, such proxy may grant discretion in the named proxy holder (but no substitute unless specifically named by the unit owner in the proxy) to vote as such holder shall determine on any particular matter described in such proxy. Unless otherwise approved by the Board of Directors, a proxy may be given only to a person entitled thereto under section 6 of this Article III.

Section 8. Majority of Unit Owners.

As used in these By-Laws the term "majority of unit owners" shall mean those unit owners having more than fifty percent (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 6 of this Article III.

Section 9. 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 10. Majority Vote.

The vote of a majority of the unit owners present and voting at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where the Declaration, 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 Treasurer, and the Secretary, all of whom shall be elected by and from the members of 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, none of whom 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 its organization meeting held subsequent to the annual meeting, and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers.

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be

elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President.

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

Section 5. Secretary.

The Secretary shall (a) keep the minutes of all meetings of the unit owners and of the Board of Directors, (b) have charge of such books and papers as the Board of Directors may direct, and (c) in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Corporation Law of the Virgin Islands. In the absence of the Secretary, any assistant secretary may perform the duties of the Secretary.

Section 6. 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 Condominium in such depositories as may from time to time be designated by the Board of Directors, and the Treasurer 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. In the absence of the Treasurer, any assistant treasurer may perform the duties of the Treasurer.

Section 7. Agreements, Contracts, Deeds, Checks, etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two members of the Board of Directors or by

such other person or persons (including one member of the Board of Directors) as may be authorized by the Board of Directors.

Section 9. Compensation of Officers.

No officer shall receive any compensation from the Condominium for acting as such, but shall be entitled to reimbursement for all expenses reasonably incurred on behalf of the Condominium.

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

determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such common charges are based to all unit owners, and to their mortgagees on request.

Section 2. Insurance.

The Board of Directors shall obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire buildings (but excluding the apartment units and any wall, ceiling, or floor decoration or coverings or other furniture or furnishings, fixtures or equipment owned or installed by unit owners) together with all service machinery contained therein or on the Property, in an amount equal to either (a) the full replacement cost of the buildings and machinery, without deduction for depreciation, or (b) that amount necessary to meet an eighty percent (80%) coinsurance requirement; (2) Workmen's Compensation Insurance, if applicable; and (3) such other insurance as the Board of Directors may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Directors, and that the net proceeds thereof shall be payable to the Board of Directors, as trustees for unit owners, as required by the Condominium Act.

The Board of Directors shall also obtain and maintain to the extent obtainable at reasonable cost, public liability insurance in such limits as the Board of Directors may, from time to time, determine, covering each member of the Board of Directors, the managing agent, the manager, employees of the Condominium, and each unit owner (to the extent owners shall have liability for the acts of any of the foregoing). Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Directors shall review such limits not less than once a year.

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

In the event of damage to or destruction of the buildings in the Condominium as a result of fire or other casualty [unless two-thirds (2/3rds) or more of the buildings are destroyed or substantially damaged and the holders of seventy-five percent (75%) or more of the common interests 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 buildings (including any damaged apartment units, but not including any wall, ceiling, or floor decorations or coverings or other furniture or

furnishings, fixtures or equipment owned or installed by unit owners in the apartment units), and the Board of Directors, acting as such trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments. Any cost of such repair or restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

If two-thirds (2/3rds) or more of the buildings are destroyed or substantially damaged, and if within sixty (60) days of the date of such destruction or damage, holders of seventy-five percent (75%) or more of the common interests determine not to proceed with repair and restoration, the Condominium shall be subject to an action for partition by any unit owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies (available after paying all costs and expenses of the Condominium) 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 apartment unit, in the order of priority of such liens.

Section 4. Payment of Common Charges.

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

Section 5. Collection of Assessments.

The Board of Directors shall assess common charges against the unit owners at least annually and shall take prompt action to collect any common charges due from any unit owner which remains unpaid for more than sixty (60) days from the date due for payment thereof.

Section 6. Default in Payment of Common Charges.

In the event of default by any unit owner in paying the common charges as determined by the Board of Directors, such unit owner shall be obligated to pay interest and/or service charges thereon in such amounts as the Board of Directors shall determine, together with all expenses, including attorneys' fees, incurred by the Board of Directors to collect such unpaid common charges. All such unpaid common charges, interest, service charges, and such expenses shall constitute a lien on such unit prior to

all other liens except those specified in Section 922 of Chapter 33, Title 28 of the Virgin Islands Code. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest and/or service charges thereon, and the expenses of attempting to collect the same, in an action to recover the same brought against such unit owner, or by foreclosure of the lien on such apartment unit granted by Section 922 of Chapter 33, Title 28, Virgin Islands Code.

Section 7. Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Board of Directors to foreclose a lien on an apartment unit because of unpaid common charges, the Board of Directors, acting on behalf of all unit owners, shall have power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same. Any unit owner remaining in possession of an apartment unit after foreclosure shall be liable to the Condominium for a reasonable rental during the period of occupancy after foreclosure, but only if the unit owners association Board of Directors shall acquire such apartment unit at the foreclosure.

Section 8. Statement of Common Charges.

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

Section 9. Abatement and Enjoinment of Violations by Unit Owners.

The violation of any rule or regulation adopted by the Board of Directors or the breach of any of these By-Laws contained herein, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (a) to enter the apartment unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10. Maintenance and Repair.

(A) All maintenance of and repairs to any apartment unit, structural or non-structural, ordinary or extraordinary, shall be made by the owner of such apartment unit. Each unit owner shall be responsible for all damages to any and all other apartment units and/or to the common areas and facilities, caused by the failure of the unit owner to perform such repair and maintenance.

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

Section 11. Restriction on use of Apartment Units.

In order to provide for congenial occupancy of the Property and for the protection of the value of the apartment units, the use of the Property by the unit owners, and those claiming by, through or under them, shall be restricted to and shall be in accordance with the following provisions:

- (a) The apartment units shall be used only for the purpose set forth in Clause 6 of the Declaration.
- (b) The common areas and facilities, including the limited common areas and facilities, shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of apartment units.
- (c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to the unit owners or which interferes with the peaceful possession or proper use of the Property by its unit owners.
- (d) No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning laws and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be observed, and any violations thereof shall be corrected, by and at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, but if caused by the unit owner, then such owner shall be responsible for the costs thereof.

Section 12. Additions, Alterations or Improvements by Board of Directors.

Whenever in the judgment of the Board of Directors the common areas and facilities shall require additions, alterations or improvements costing in excess of the Permitted Amount, and the making of such additions, alterations or improvements shall have been approved by the unit owners holding at least two-thirds (2/3rds) of the common interests, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof, as a common charge. Any additions, alterations or improvements costing the Permitted Amount or less may be made by the Board of Directors without approval of unit owners and the cost thereof shall constitute part of the common expenses.

As used herein, the term "Permitted Amount" shall be \$100,000.00, increased by \$5,000 for each year commencing January 1, 1991.

Section 13. Additions, Alterations, or Improvements by Unit Owners.

No unit owner shall make any structural addition, alteration or improvement in or to his apartment unit, including any exterior painting or exterior alteration or addition (including awnings, grills, etc.), without the prior written consent thereto of the Board of Directors.

Any application to any department of the Government of the Virgin Islands or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors.

Section 14. Right of Access.

A unit owner shall grant a right of access to his apartment unit to the manager and/or the managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent, for the purpose of making inspections 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 his apartment unit or elsewhere in the building, or to correct any condition which violates the provisions of any mortgage covering another apartment unit, provided that requests for entry are made in advance and that any such entry is at a time

reasonably convenient to the unit owner. In case of any emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 15. Rules of Conduct.

Rules and Regulations concerning the use of the apartment units and the common areas and facilities, including the limited common areas and facilities, may be promulgated and amended by the Board of Directors with the approval of a majority of the unit owners. Copies of such Rules and Regulations shall be furnished by the Board of Directors to each unit owner prior to the time when the same shall become effective. Rules and Regulations, which shall be effective until amended by the Board of Directors with the approval of a majority of unit owners, are annexed hereto to the Agreement and Declaration heretofore recorded, as Exhibit D.

Section 16. Potable Water.

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

Section 17. Gas.

Gas shall not be supplied to any apartment unit, or kept or used as a fuel, or otherwise, within an apartment unit or on any part of the Condominium; except that the provisions of this section shall not apply to the extent otherwise allowed by the Board of Directors.

Section 18. Salt Water and Sewerage Service.

Water for flushing, and sewerage service including sewage disposal and treatment shall be supplied as a common facility to all unit owners, and the cost thereof shall be treated as a common expense.

Section 19. Electricity.

Electricity shall be supplied by the public utility company serving the Property directly to each apartment unit through a separate meter, and each unit owner shall be required to pay the bills for electricity consumed or used in his apartment unit. The

electricity serving the common areas and facilities shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the common areas and facilities as a common expense.

ARTICLE VI

Mortgages

Section 1. Notice to the Board of Directors.

A unit owner who mortgages his apartment unit shall notify the Board of Directors of the name and address of his mortgagee, and the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartment Units". If the unit owner fails so to act, the mortgagee may do so. If neither the unit owner nor the mortgagee so act, the Condominium and the Board of Directors shall have no obligation to give notices to such mortgagee or to pay over moneys otherwise refunded hereby to be paid to mortgagees under this Article VI, Section 4.

Section 2. Notice of Unpaid Common Charges.

The Board of Directors, whenever so requested in writing by a mortgagee of an apartment unit, shall promptly report any then unpaid common charges due from, or any other default under the By-Laws of the Condominium by the owner of the mortgaged apartment unit.

Section 3. Examination of Books.

Each unit owner and each mortgagee of an apartment unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once quarterly, and then only at the place where such books are usually kept.

Section 4. Distributions.

If the Board of Directors proposes to make a distribution of funds to the unit owners, the amount of which exceeds \$1,000.00, it shall make the distribution jointly to the unit owner and any mortgagees for that apartment unit then reflected in the book entitled "Mortgages of Apartment Units" unless such mortgagee has waived the right to payment in writing submitted to the Board of Directors.

ARTICLE VII

Sales and Mortgages of Units

Section 1. No Severance of Ownership.

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

Section 2. Waiver of Right to Partition with Respect to Such Apartment Units as are Acquired by the Unit Owners Association, or its Designee, on Behalf of all Unit Owners as Tenants in Common.

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

Section 3. Payment of Assessments.

No unit owner shall be permitted to convey, mortgage, pledge, hypothecate or sell his apartment unless and until such unit owner shall have paid in full all unpaid common charges theretofore assessed by the Board of Directors against the apartment

unit and until there shall have satisfied all unpaid liens held by the Condominium against such apartment unit. Notwithstanding the foregoing, a unit owner may convey or sell an apartment unit, subject to all other provisions of these By-Laws, to a purchaser who in a writing filed with the Board of Directors assumes all unpaid common charges and who agrees to take such apartment unit subject to all unpaid liens of the Condominium against the same, including the obligations to pay interest, service charges, and the costs and expenses of collection otherwise provided for in these By-Laws against a defaulting unit owner.

ARTICLE VIII

Condemnation

Section 1. Condemnation.

In the event of a taking by public authority of all or any part of the common area and facilities, the award made for such taking shall be payable to the Board of Directors as trustee for the benefit of all of the unit owners. Unless the taking renders reconstruction or repair of the Condominium unfeasible in the opinion of the Board of Directors, or the holders of seventy five percent (75%) or more of the common interests determine in accordance with the Declaration not to proceed with such restoration or repair, the Board of Directors shall arrange for such repair and restoration, and the Board of Directors shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event restoration or repair is unfeasible or unit owners holding seventy-five percent (75%) or more of such common interests determine not to proceed with such repair and restoration, the Condominium shall be subject to an action for partition by any unit owner, in which event the net proceeds of sale, together with the net award made for the taking (available after paying all costs and expenses of the Condominium) 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 apartment unit, in the order of priority of such liens.

ARTICLE IX

Records

Section 1. Records and Audits.

The Board of Directors or the manager of the Condominium shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment unit which, among other things, shall contain the amount of each assessment of common charges against such apartment unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant (if the Board of Directors so determines), shall be rendered by the Board of Directors to all unit owners and to all mortgagees of apartment units listed in the book entitled "Mortgages of Apartment Units" who have requested the same, as soon as possible after the end of each fiscal year.

ARTICLE X

Miscellaneous

Section 1. Notices.

All notices hereunder shall be sent by (a) registered, express or certified mail or (b) a national courier service such as Federal Express, to the Board of Directors at the office of the Condominium, or to such other address as the Board of Directors may designate from time to time, by notice in writing to all unit owners. All notices to a unit owner (except notices of annual meeting and change of address) shall be similarly sent to the then current address of the unit owner in the Condominium records, or to such other address as may have been designated by such unit owner from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given when

mailed or delivered to the courier, except notices of change of address which shall be deemed to have been given only when received.

Section 2. Invalidation.

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

Section 3. Captions.

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

Section 4. Gender.

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

Section 5. Waiver.

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

ARTICLE XI

Amendment to By-Laws

Section 1. Amendment to By-Laws.

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of unit owners holding 66-2/3% of the common interest in the Condominium either in writing or at a meeting of unit owners duly held for such purpose, but only if also approved by a majority of the Board of Directors.

Section 2. Amendments Affecting Mortgagees.

Without the consent of the holder of a mortgage, and so long as such mortgage remains outstanding, no amendment to the By-Laws shall affect any right or privilege granted under these By-Laws to such holder in connection with such mortgage who, prior to the adoption of such mortgage, either (a) has been listed in the book entitled "Mortgages of Apartment Units", or, (b) who not being listed, has notified the Board of

Directors in writing that such mortgage is held by the mortgagee. Such amendment shall apply to a mortgage held by a mortgagee only if adopted by the Condominium before such mortgagee is so listed or the mortgagee so notifies the Board of Directors.

ARTICLE XII

Conflicts

Section 1. Conflicts.

These By-Laws are set forth to comply with the provisions of Sections 917 and 981 of Chapter 33, Title 28, Virgin Islands Code. If any of these By-Laws conflict with the provisions of said statute or of the Declaration, the contrary provisions of said statute or of the Declaration shall control.

RECORDED IN THE RECORDER'S OFFICE FOR THE DISTRICT
OF ST. THOMAS AND ST. JOHN, VIRGIN ISLANDS OF THE U.S.A.
BOOK 22-B PAGE 291 SUB NO. 45
AUXILARY 21(c) PAGE 27, 243 & 270 DATE: Jan 13, 1981
{*Electronic Representation*}