

**Exhibit D**  
**BY-LAWS OF**  
**MILL HARBOUR CONDOMINIUM ASSOCIATION**

TABLE OF CONTENTS

**ARTICLE 1 APPLICABILITY.....1**

**ARTICLE 2 DEFINITIONS.....1**

    2.1 **Declaration.....1**

    2.2 **By-Laws.....1**

    2.3 **Ownership Book.....1**

    2.4 **Mortgagee Book.....1**

    2.5 **Registered Unit Representative.....1**

    2.6 **Other Definitions.....2**

**ARTICLE 3 THE ASSOCIATION.....2**

    3.1 **Place of Meetings and Open Nature of Meetings.....2**

    3.2 **Registered Unit Representatives.....2**

    3.3 **Annual Meeting.....2**

    3.4 **Special Meetings.....3**

    3.5 **Notice of Meetings.....3**

    3.6 **Quorum.....3**

    3.7 **Voting.....3**

    3.8 **Proxies.....3**

    3.9 **Conduct of meetings.....4**

    3.10 **Action by Unanimous Consent.....4**

    3.11 **Ownership Book.....4**

**ARTICLE 4 BOARD OF DIRECTORS.....4**

    4.1 **Number and Qualification.....4**

    4.2 **Powers and Duties.....4**

    4.3 **Actions Taken by Board.....5**

4.4	<u>Election and Terms of Office</u> .....	5
4.5	<u>Vacancies During Term</u> .....	5
4.6	<u>Removal by Board</u> .....	5
4.7	<u>Removal by Unit Owners</u> .....	5
4.8	<u>Compensation</u> .....	6
4.9	<u>Meetings</u> .....	6
4.10	<u>Action by Unanimous Consent</u> .....	6
 <b><u>ARTICLE 5 OFFICERS</u></b> .....		<b>6</b>
5.1	<u>Designation</u> .....	6
5.2	<u>President</u> .....	7
5.3	<u>Vice President</u> .....	7
5.4	<u>Secretary</u> .....	7
5.5	<u>Treasurer</u> .....	7
5.6	<u>Compensation</u> .....	7
 <b><u>ARTICLE 6 LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS</u></b> .....		<b>8</b>
6.1	<u>Indemnification</u> .....	8
6.2	<u>Interested Directors</u> .....	8
 <b><u>ARTICLE 7 FISCAL MANAGEMENT OF THE CONDOMINIUM</u></b> .....		<b>8</b>
7.1	<u>Fiscal Year</u> .....	8
7.2	<u>Association Funds</u> .....	9
7.3	<u>Books and Records</u> .....	9
7.4	<u>Inspection of Books</u> .....	9
 <b><u>ARTICLE 8 MAINTENANCE, REPAIR AND ALTERATIONS</u></b> .....		<b>9</b>
8.1	<u>By the Unit Owners</u> .....	9
8.2	<u>By the Association</u> .....	10

<b>ARTICLE 9 UTILITIES</b> .....	<b>10</b>
9.1 <b>Responsibility of Unit Owners</b> .....	<b>10</b>
9.2 <b>Responsibility of the Association</b> .....	<b>11</b>
<b>ARTICLE 10 INSURANCE</b> .....	<b>11</b>
10.1 <b>Policies to be Obtained</b> .....	<b>12</b>
10.2 <b>Insurance Premiums</b> .....	<b>12</b>
10.3 <b>Eligible Insurers; Board as Insurance Trustee</b> .....	<b>12</b>
10.4 <b>Evidence of Coverage and Notice of Cancellation</b> .....	<b>12</b>
10.5 <b>Special Insurance Reserve</b> .....	<b>13</b>
<b>ARTICLE 11 ASSESSMENTS TO PAY COMMON EXPENSES</b> .....	<b>13</b>
11.1 <b>Annual Budget</b> .....	<b>13</b>
11.2 <b>Annual Assessment</b> .....	<b>13</b>
11.3 <b>Special Assessments</b> .....	<b>14</b>
11.4 <b>Notice of Assessments</b> .....	<b>14</b>
11.5 <b>Interest on Unpaid Installments; Late Charges; Demand for Payment of Remaining Installments</b> .....	<b>14</b>
11.6 <b>Personal Liability for Assessments</b> .....	<b>15</b>
11.7 <b>Lien to Secure Payment Of Assessments</b> .....	<b>16</b>
11.8 <b>Collection of Assessments</b> .....	<b>16</b>
<b>ARTICLE 12 MANAGER</b> .....	<b>16</b>
12.1 <b>The Manager</b> .....	<b>16</b>
12.2 <b>Delegation of Power</b> .....	<b>17</b>
<b>ARTICLE 13 USE RESTRICTIONS</b> .....	<b>17</b>
13.1 <b>Residential Use</b> .....	<b>17</b>
13.2 <b>Applicability to Tenants, Etc.</b> .....	<b>17</b>
<b>ARTICLE 14 MORTGAGEES</b> .....	<b>18</b>

14.1	<u>The Mortgage Book</u> .....	18
14.2	<u>Right to Notices</u> .....	18
<b>ARTICLE 15 NOTICES</b> .....		<b>18</b>
15.1	<u>Form</u> .....	18
15.2	Method of Delivery.....	18
<b>ARTICLE 16 CONFLICT</b> .....		<b>19</b>
<b>ARTICLE 17 AMENDMENTS</b> .....		<b>19</b>
17.1	Procedure for Approval.....	19
17.2	Execution and Recordation.....	19
 <b>EXHIBIT A – Initial Rules</b>		

**BY-LAWS  
of  
MILL HARBOUR CONDOMINIUM ASSOCIATION**

**ARTICLE 1  
APPLICABILITY**

These By-Laws shall be applicable to the administration of the Mill Harbour Condominium Association and the use, maintenance, repair and improvement of the Mill Harbour Condominium property.

**ARTICLE 2  
DEFINITIONS**

As used in these By-Laws, the following terms shall have the meanings set forth below, unless the context clearly indicates to the contrary:

**2.1 Declaration**

The term “Declaration” means and refers to that certain Amended and Restated Declaration of Mill Harbour Condominium to which a copy of these By-Laws has been attached as Exhibit “D”, as the said Declaration may be amended from time to time.

**2.2 By-Laws**

The term “By-Laws” shall mean and refer to this document as the same may be amended from time to time.

**2.3 Ownership Book**

The term “Ownership Book” shall mean and refer to the list of Unit Owners and Registered Unit Representatives that is kept pursuant to Section 3.11 hereof.

**2.4 Mortgagee Book**

The term “Mortgagee Book” shall mean and refer to the list of Mortgagees that is kept pursuant to Section 14.1 hereof.

**2.5 Registered Unit Representative**

The term “Registered Unit Representative” shall mean and refer to the individual listed in the Ownership Book as such pursuant to Section 3.2 hereof.

## **2.6 Other Definitions**

Unless the context clearly indicates otherwise, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in the Act.

### **ARTICLE 3 THE ASSOCIATION**

#### **3.1 Place of Meetings and Open Nature of Meetings**

Meetings of the Association shall be held at the Condominium, or at such other place, either on St. Croix or elsewhere, as may be designated by the Board. All meetings of the Association shall be open to Unit Owners, their Registered Unit Representatives, attorneys, and other representatives.

#### **3.2 Registered Unit Representatives**

It shall be the responsibility of each Unit Owner to designate one individual as their Registered Unit Representative for the Unit owned by such Unit Owner and to provide the Secretary (Office Manager) with the name of such Registered Unit Representative for listing in the Ownership Book pursuant to Section 3.11 hereof. The Registered Unit Representative of a Unit owned by an individual may be the individual Unit Owner. A Registered Unit Representative may be replaced from time to time, and at any time, by the Unit Owner and such replacement shall be effective upon notice of such replacement being delivered to the Secretary (Office Manager). In the event a Unit is owned by one or more individuals or entities, the designation of a Registered Unit Representative for such Unit shall be accompanied by such consents and other verification as the Board may require to ensure that the Registered Unit Representative has been properly designated by the Unit Owner. Whenever any approval of a Unit Owner by vote or otherwise, is required or permitted herein or in the Declaration, such approval shall be given or vote cast, respectively, on behalf of the Unit Owner only by the Registered Unit Representative of such Owner. The Percentage Interest appurtenant to a Unit may not be voted at any meeting of the Association until a Registered Unit Representative has been properly designated for such Unit.

#### **3.3 Annual Meeting**

The Association shall hold an annual meeting no later than February 15<sup>th</sup> of each calendar year. At such meeting, a Board of Directors shall be elected by the Unit Owners in accordance with the requirements of Section 4.3 of these By-Laws. The Association may also transact such other business of the Condominium as may properly come before it.

### **3.4 Special Meetings**

It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board or upon a petition signed by Registered Unit Representatives entitled to vote at least twenty-five percent (25%) of the Percentage Interests. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

### **3.5 Notice of Meetings**

It shall be the duty of the Secretary (Office Manager) or his/her agent to deliver a notice of each annual meeting to each Unit Owner not less than thirty (30) nor more than one hundred twenty (120) calendar days prior to the date of such annual meeting stating the time and place where it is to be held. It shall be the duty of the Secretary (Office Manager) or his/her agent to deliver a notice of each special meeting to each Unit Owner not less than ten (10) calendar days prior to the date of such special meeting stating the time and place where it is to be held as well as the purpose thereof.

### **3.6 Quorum**

The presence, either in person or by proxy, of Registered Unit Representatives entitled to vote at least one-half (1/2) of the Percentage Interests shall constitute a quorum for the transaction of business at all meetings of the Association. If at any time during a meeting the Percentage Interests entitled to be voted by Registered Unit Representatives present, either in person or by proxy, drops below one-half (1/2), no business may thereafter be transacted until a quorum is restored.

### **3.7 Voting**

All votes shall be cast by the Registered Unit Representative for each Unit. At every meeting of the Association, unless a larger percentage is required by the Act, the Declaration, or these By-Laws, the affirmative vote of Registered Unit Representatives holding a majority of the Percentage Interests present at the meeting, either in person or by proxy, shall govern and control.

### **3.8 Proxies**

A Registered Unit Representative may appoint any individual over the age of eighteen (18) years as their proxy. Proxies shall be in writing, shall be executed by the Registered Unit Representative and shall be effective for a maximum period of one hundred eighty (180) days following issuance, unless granted to a lessee or Mortgagee. A proxy may be terminated at any time by the Registered Unit Representative and shall



automatically terminate in the event the Registered Unit Representative ceases to act in such capacity for any reason.

### **3.9 Conduct of meetings**

The President of the Association shall preside at all meetings of the Association. All meetings shall be conducted in accordance with the procedures set forth in the latest edition of Robert's Rules of Order, except that voting by proxy shall be permitted.

### **3.10 Action by Unanimous Consent**

Any action that may be taken by the Association at any regular or special meeting may be taken by the Association without the necessity of a meeting if a writing evidencing such action is signed by the Registered Unit Representative of each Unit and filed among the records of the Association.

### **3.11 Ownership Book**

Each Unit Owner shall provide the Secretary (Office Manager) in writing with their name and their current telephone number, electronic and postal mailing address and shall promptly deliver the Secretary (Office Manager) a notice of any change in this information. Each Unit Owner shall also provide the Secretary (Office Manager) in writing with the name and current telephone number, electronic and postal mailing address of the individual that is to serve as their Registered Unit Representative and shall promptly deliver the Secretary (Office Manager) a notice of any change in this information. The Secretary (Office Manager) shall maintain this information in the Ownership Book as part of the records of the Association.

## **ARTICLE 4 BOARD OF DIRECTORS**

### **4.1 Number and Qualification**

The affairs of the Association shall be governed by the Board of Directors of the Association which shall be composed of seven individuals each of whom shall be a Unit Owner or, in the case of any Unit owned by a Person other than an individual, a Registered Unit Representative for such Unit.

### **4.2 Powers and Duties**

The Board of Directors shall have all of the powers and duties normally associated with the board of directors of a Virgin Islands corporation, subject to the provisions of the Act, the Declaration and these By-Laws.

#### **4.3 Actions Taken by Board**

All actions of the Board of Directors taken at any meeting shall be by majority vote.

#### **4.4 Election and Terms of Office**

Directors currently serving shall continue to serve until the expiration of their respective terms. At the annual meeting of the Association new members of the Board shall be elected to fill the vacancies of those members whose terms are expiring for a three-year term. The term of each member shall continue until a successor is elected. Prior to each annual meeting of the Association, the Board of Directors shall meet and submit a slate of nominees to fill the positions of all Directors whose terms will be expiring at the time of the next annual meeting of the Association. The slate will be mailed to all Owners at least thirty (30) calendar days prior to the annual meeting.

#### **4.5 Vacancies During Term**

Any Director that resigns, becomes incapacitated, or ceases to be a Registered Unit Representative shall automatically cease being a Director. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the remaining Directors, even though they may constitute less than a quorum. The term of any Director elected to fill a vacancy shall expire on the expiration date of the term of the Director who has ceased to serve.

#### **4.6 Removal by Board**

At any regular or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of all of the other Directors.

#### **4.7 Removal by Unit Owners**

At any annual or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of Registered Unit Representatives entitled to vote a majority of the Percentage Interests and a successor shall then and there be elected to fill the vacancy thus created by the affirmative vote of Registered Unit Representatives entitled to vote a majority of the Percentage Interests that are present either in person or by proxy. The term of any Director elected to fill a vacancy shall expire on the expiration date of the term of the Director who has ceased to serve.

#### **4.8 Compensation**

No remuneration shall be paid to any Director for services performed by him/her for the Condominium in their capacity as a Director other than reimbursement for reasonable costs and expenses incurred with the prior approval of the President.

#### **4.9 Meetings**

The Board shall hold a meeting immediately following each annual meeting of the Association to elect officers and to conduct any other business as may come before it. No notice of this meeting is required. The Board shall also hold regular meetings at such time and place as shall be determined from time to time by a majority of the Board. The Board shall hold special meetings upon the request of the President of the Association, or any two Directors. The Secretary (Office Manager) shall give all Directors at least five calendar days' notice of any special meeting. Such notice may be given by personal delivery, telephonically or by electronic mail. Directors may attend meetings of the Board in person or by telephone or other electronic means of communication, so long as each Director present, either in person or by telephone or other electronic means of communication, can hear the other Directors, and be heard by them. The presence of any Director at a meeting, either personally or by telephone, shall constitute a waiver of any required notice of the meeting. Minutes shall be kept of all meetings of the Board and shall be made available to any Unit Owner upon request. A quorum of the Board shall be established if a majority of the Directors are present in person or by telephone or other electronic means of communication. All actions taken by the Board at any meeting shall be by majority vote of those Directors present in person or by telephone or other electronic means of communication. Meetings of the Board may be made open to Owners at the discretion of the Board.

#### **4.10 Action by Unanimous Consent**

Any action that can be taken by the Board of Directors at any regular or special meeting may be taken by the unanimous consent of the Directors without the necessity of a meeting if a writing evidencing such action is signed by all of the Directors and filed among the records of the Board.

### **ARTICLE 5 OFFICERS**

#### **5.1 Designation**

The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by, and serve at the pleasure of, the Board. The President and Vice-President must be chosen from among the Directors

and the Secretary, and the Treasurer must be Registered Unit Representatives. The offices of Treasurer and Secretary may be filled by the same individual.

## **5.2 President**

The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and the Board. He/She shall have all the general powers and duties which are usually vested in the office of president of a Virgin Islands corporation. The President is authorized to execute all amendments to the Declaration.

## **5.3 Vice President**

The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President or the Vice-President is able to act the Board shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon them by the President. In the absence or unavailability of the President, the Vice-President is authorized to execute all amendments to the Declaration.

## **5.4 Secretary (Board)**

The Secretary shall keep the minutes of all meetings of the Board and the Association and shall cause proper notice of such meetings to be delivered; he/she shall have charge of the Ownership Book, the Mortgagee Book and such other books and papers as the Board may Direct; and he/she shall, in general perform all the duties incidental to the office of Secretary including counting the votes at meetings of the Association. In the Secretary's absence, the President shall designate some other individual to count such votes.

## **5.5 Treasurer**

The Treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board. The Board may delegate any or all of these duties to a Manager, banking institution or other qualified Person.

## **5.6 Compensation**

No remuneration shall be paid to any officer for services performed by them for the Condominium in their capacity as an officer other than reimbursement for reasonable costs

and expenses incurred with the prior approval of the President, or, in the case of the President, the prior approval of a majority of the Board.

**ARTICLE 6**  
**LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS**

**6.1 Indemnification**

The Association shall indemnify every officer and Director of the Association against any and all expenses, including attorneys' fees, fines, and judgments, reasonably incurred or imposed upon any officer or Director in connection with any action, suit or other proceeding, either threatened or to which he/she may be made a party by reason of being or having been, an officer or Director of the Association, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Association shall be liable to the Association and the Unit Owners for their own gross negligence, willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith. Any right to indemnification provided for herein shall not be exclusive of any other such rights to which any officer or Director of the Association, or former officer or Director of the Association, may be entitled.

**6.2 Interested Directors**

The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any Person affiliated with any Director, is either void or voidable if the fact of the interest of the Director or Directors in the proposed contract or other transaction is disclosed or known to the Board, and noted in the minutes, and a majority of the disinterested Directors approves the contract or other transaction in good faith. Interested Directors may not be counted in determining the presence of a quorum of any meeting of the Board, or committee thereof, which authorizes, approves or ratifies any such contract or other transaction nor shall their votes be counted in approving such contract or other transaction.

**ARTICLE 7**  
**FISCAL MANAGEMENT OF THE CONDOMINIUM**

**7.1 Fiscal Year**

The fiscal year of the Association shall begin on November 1 of each year and shall continue until October 31 of the next year. The Board may, to the extent permitted by law, change the fiscal year of the Association from time to time.

## **7.2 Association Funds**

All funds of the Association shall be kept in bank accounts or invested in other instruments insured by agencies of the United States Government. The Board shall determine the number and identity of the individuals who are authorized to sign checks drawn on Association accounts or to make any other withdrawals or dispositions of Association funds.

## **7.3 Books and Records**

Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices. At the close of each fiscal year, the books and records shall be audited by an independent accountant. At least annually, the Board shall furnish the Unit Owners with a financial statement for the current year that includes a balance sheet and income statement

## **7.4 Inspection of Books**

The books and accounts of the Association and vouchers accrediting the entries made thereupon shall be available to examination by the Unit Owners and their duly authorized attorneys and mortgagees during normal business hours and for good purposes reasonably related to their interests as Unit Owners.

# **ARTICLE 8 MAINTENANCE, REPAIR AND ALTERATIONS**

## **8.1 By the Unit Owners.**

8.1.1 Each Unit Owner shall maintain in good condition and repair and replace at its expense when necessary all portions of their Unit and the Limited Common Elements of such Unit not maintained by the Association pursuant to Section 8.2.

8.1.2 Each Unit Owner must perform promptly all such maintenance and repairs which, if not performed, would affect a Unit belonging to any other Unit Owner or would affect the Common Elements. Each Unit Owner shall be liable for any damages that arise due to their failure to perform such maintenance, repairs and replacement.

8.1.3 No Unit Owner shall make any alteration in or on the Common Elements, remove any portion thereof, make any additions thereto items without first obtaining written approval thereof by the Board, which approval the Board may withhold in its sole and absolute discretion. Under no circumstances shall any Unit Owner do anything which shall, or may, jeopardize or impair the safety or soundness of the Condominium.

- 8.1.4 No Unit Owner shall paint, repaint, refurbish, stain, alter, decorate, repair, replace, enclose or change any outside or exterior portion or surfaces of their Unit, including without limitation, doors and windows; place any awnings, screens or shutters on or in any Unit; or install on any portion of the Condominium any exterior lighting fixture, mailbox, screen door, storm shutters or other similar items without first obtaining written approval thereof by the Board, which approval the Board may withhold in its sole and absolute discretion.
- 8.1.5 Each Unit Owner shall promptly report to the Association, or the Manager, any defect in, or need for repair to, the Common Elements promptly upon such Unit Owner becoming aware of such defect or need.

## **8.2 By the Association**

The Association shall be responsible for the maintenance, repair, improvement and replacement of all portions of the Common Elements in such manner as the Board shall, from time to time, deem appropriate. All costs of performing these duties shall be a part of the Common Expenses. Notwithstanding the foregoing, the Association shall have no obligation to maintain, repair, improve or replace any storm shutters or other improvements to any Limited Common Element and such obligation shall remain with the owner of the Unit to which such Limited Common Element is appurtenant. Each Owner acknowledges and agrees that any officer or agent of the Association shall have the right to have access to each Unit and the Unit's Limited Common Elements from time to time during reasonable hours and upon reasonable notice as may be necessary for the inspection, maintenance, repair or replacement of any part of the Common Elements therein, or accessible therefrom, or at any time as may be necessary for emergency repairs to prevent damage to the Common Elements or another Unit.

## **ARTICLE 9 UTILITIES**

### **9.1 Responsibility of Unit Owners.**

The Unit Owners shall be responsible for and pay all charges for electrical, telephone and cable television service supplied to their respective Units. Unit Owners shall pay directly the utility companies supplying cable, water, electrical and telephone service. In the event the Association pays the utility providing such service on a bulk rate basis, the Association may provide such service as an Additional Service and charge each Unit Owner an Additional Service Charge based on their respective usage. If the Association does not pay the cable television company directly, then each Unit Owner shall be responsible for such payment on an individual basis.

## **9.2 Responsibility of the Association**

- 9.2.1 The Association shall pay all charges for water, electrical and telephone service for the Common Elements. This cost to the Association shall be a Common Expense.
- 9.2.2 Potable water, including cistern water, shall be supplied through the common facilities of the Condominium directly to each condominium 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 reserve for expenses connected with the purchase by the Condominium of potable water from other sources, should such purpose become necessary.
- 9.2.3 Gas shall not be supplied to any unit, and unit owners are specifically prohibited from using gas as a fuel or otherwise, within the unit or on any part of the Property. Unit owners are further specifically prohibited from placing within a unit, within a common area, or on any other part of the Property, any bottle, cylinder or other similar container for gas.

## **ARTICLE 10 INSURANCE**

### **10.1 Policies to be Obtained**

The Board shall obtain and maintain, to the extent reasonably available, the following insurance coverage as part of a condominium master insurance policy, or policies:

- 10.1.1 property insurance on the Common Elements and the Units utilizing a causes of loss —special form policy, or such later version of such policy as shall be available, in an amount equal to the full replacement cost of such improvements; provided, however that the policy may provide for a deductible for windstorm and earthquake damage that is in excess of the any standard deductible provided that either (i) the Association has accumulated a special insurance reserve as described in Section 10.5 in the amount of such excess or (ii) the Board has obtained a standing line of credit in the amount of such excess from a bank authorized to do business in the United States Virgin Islands, which line of credit can be drawn against solely to repair damage attributable to windstorm or earthquakes.



10.1.2 comprehensive general liability insurance, including medical payments insurance, in an amount to be determined by the Board, but not less than Five Hundred Thousand Dollars (\$500,000) for any single occurrence, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements; and

10.1.3 such other insurance coverage as the Board may determine is appropriate.

## **10.2 Insurance Premiums**

The premiums for all insurance coverage obtained pursuant to Section 10.1 shall be paid by the Association as a Common Expense.

## **10.3 Eligible Insurers; Board as Insurance Trustee**

All policies shall be issued by insurance companies that are licensed to issue policies in the United States Virgin Islands and that meet such financial standards as the Board may determine appropriate. The Board, as trustee for the benefit of the Association and all Unit Owners, will be named as the insured under all policies obtained pursuant to Section 10.1

## **10.4 Evidence of Coverage and Notice of Cancellation**

Upon written request, a Unit Owner shall be furnished with a copy of the certificates of insurance evidencing the coverage obtained by the Board. Upon written request, the Board shall furnish any Unit Owner or Mortgagee listed in the Mortgagee Book with a copy of any policy of insurance obtained in accordance with Section 10.1.

## **10.5 Special Insurance Reserve**

The Board is authorized, but not required, to maintain a reserve fund that will provide funding to repair damage caused by windstorm or earthquakes. The amount of such reserve shall not exceed twice the amount of the deductible in the Association's windstorm and earthquake coverage offered by the insurance company. The funds in the reserve shall be kept in a separate fund and may only be used to repair such damage. In the event that any funds are used for this purpose, the Board is authorized, but not required, to make additional assessments against all Units to restore the reserve to its prior balance. Assessments made pursuant to this Section may be payable in such installments as the Board may determine.

**ARTICLE 11**  
**ASSESSMENTS TO PAY COMMON EXPENSES**

**11.1 Annual Budget**

It shall be the responsibility of the Manager to prepare, each year, a proposed budget for the Condominium's operations during the next fiscal year and to present such budget to the Board prior to the end of the current fiscal year. Upon receipt of the proposed budget, unless a meeting of the Board is already scheduled during the next thirty days, the President shall call a special meeting of the Board to consider the budget. Prior to the end of each fiscal year, the Board shall adopt a proposed budget for the next fiscal year. The proposed budget shall include all anticipated expenditures of the Association, to the extent they can be reasonably estimated, as well as a contribution to a reserve for replacements in such amount as the Board may determine to be adequate; provided, however, where the amount of an anticipated expenditure cannot be reasonably estimated, that fact, and the possibility of a special assessment to cover such expenditure, shall be indicated on the proposed budget.

**11.2 Annual Assessment**

Upon its approval of the budget for the next fiscal year, the Board shall assess against each Unit its proportionate share of the Common Expenses anticipated by the budget, which share shall be equal to the total amount of the Common Expenses multiplied by the Percentage Interest appurtenant to such Unit. The assessment against each Unit shall be effective as of the first day of the next fiscal year of the Condominium. The amount of any assessment may, subject to the provisions of Section 11.5 hereof, be payable in one or more installments as the Board shall determine.

**11.3 Special Assessments**

In addition to the annual assessment provided for in Section 11.2 above, the Board may levy in any fiscal year one or more special assessments for the purpose of defraying, in whole or in part, any Common Expense not covered by the budget for such year.

#### **11.4 Notice of Assessments**

The Board shall send a notice of the amount of the annual assessment for the next fiscal year to each Unit Owner prior to the beginning of such fiscal year and shall send a notice of any special assessment at least thirty (30) calendar days prior to the effective date of the assessment. Each such notice shall also state whether the assessment is payable in a single installment or, if payable in more than one installment, the number and due dates of each such installment. No assessment shall be effective until the expiration of the later to occur of (a) the effective date stated in the notice or (b) thirty (30) days following the date of the notice; provided, however, that in the event the Board fails to send a notice of the annual assessment for an upcoming fiscal year at least thirty (30) calendar days in advance of the beginning of such year, each Unit Owner shall be deemed to have been given notice that the amount of the assessment for such year and the number and timing of the installments due in order to pay such assessment shall be the same as for the current fiscal year until the expiration of thirty (30) calendar days following actual notice of the annual assessment for such upcoming fiscal year is given.

#### **11.5 Interest on Unpaid Installments; Late Charges; Demand for Payment of Remaining Installments**

Any installment of an assessment that remains unpaid for more than twenty (20) calendar days past its due date shall bear interest from the date when due until the date paid at the rate of eighteen and one-half-percent (18.5%) per annum or as otherwise determined by the Board, but in no event higher than the highest rate permitted under Virgin Islands law. Each Unit Owner by their acquisition of a Unit shall be deemed to have expressly adopted this interest provision in a written agreement as described in Title 11 V.I.C. §951(b)(1), as the same may be amended from time to time. There shall be a late charge of Twenty-Five Dollars (\$25.00), or one-tenth (1/10) of the total amount of any delinquent installment, whichever is greater added to any installment that is more than twenty calendar days past due. In the event any installment of an assessment remains unpaid for more than ninety (90) calendar days past its due date the Board may accelerate the due dates for all remaining installments and the entire unpaid balance of such assessment shall become immediately due and payable. In the event the Board accelerates the due dates of future assessments on a Unit during any fiscal year, the Board may accelerate future assessments due for the balance of the next fiscal year if any installment of an assessment on that Unit remains unpaid for more than thirty (30) days past its due date during such succeeding fiscal year.

## **11.6 Personal Liability for Assessments**

11.6.1 General. Each Unit Owner shall be personally liable for all annual and special assessments imposed upon their Unit while he/she is the owner of the Unit as well as all interest accrued thereon, late charges and the costs incurred by the Association, including attorneys' fees, in collecting such assessments. In the event a Unit is owned by more than one person, each shall be jointly and severally liable for such assessments. The Association may bring an action to collect the amount of any unpaid installments of assessments without foreclosing or waiving its lien to secure such unpaid amounts provided in Section 11.7.

11.6.2 Statement Regarding Assessments. Upon the written request of any Unit Owner, contract purchaser or mortgagee, the Board shall provide a statement setting forth the following information:

11.6.2.1 a copy of the current budget;

11.6.2.2 the total amount of the annual assessment against the Unit and the total amount of any special assessments previously made against such Unit during the current fiscal year;

11.6.2.3 the existing schedule for payment of installments of such assessments; including a statement as to whether payment of any assessment for the current fiscal year has been accelerated; and

11.6.2.4 the amount of any installments of any assessment that are due and unpaid, as well as the amount of any interest accrued thereon and any costs incurred by the Association in attempting to collect such past due installments, as of the date of the statement.

The Board may impose a reasonable charge for the preparation of such a statement and require payment of the charge as a condition to the delivery of the statement.

11.6.3 Voluntary Conveyance. In the case of a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid installments of assessments against the Unit as well as all interest accrued thereon and all costs incurred by the Association, including attorneys' fees, in attempting to collect such installments, as of the date of the conveyance; provided, however, that in the event the Board has delivered to the Unit Owner or the grantee a statement in accordance with Section 11.6.2 above, the grantee shall not be liable for, and the Unit shall not be subject to a lien securing the payment of, any amounts in excess of those set for on the statement.

11.6.4 Foreclosure of First Mortgage or Tax Sale. In the event a first mortgage is foreclosed, or a Unit is sold at a tax sale by the Government of the Virgin Islands, the purchaser at such foreclosure or tax sale shall not be liable for any installments of annual or special assessments that have come due prior to the date of such purchaser acquires title. A purchaser at a foreclosure or tax sale shall be personally liable as a Unit Owner for the payment of any installments coming due after such purchaser acquires title.

## 11.7 Lien to Secure Payment Of Assessments

11.7.1 Existence of Lien. The amount of any annual or special assessment levied against a Unit, together with all interest thereon and the costs incurred by the Association, including attorneys' fees, in attempting to collect unpaid installments, shall constitute a lien against such Unit prior to all other liens except tax liens in favor of the Government of the Virgin Islands and the lien of any first mortgage of record.

11.7.2 Enforcement of Lien. The Association may foreclose the lien described in this Section 11.7 in the manner provided for the foreclosure of mortgages on real property. In the event any such proceeding is commenced, the Association shall be entitled to immediate possession of the Unit and the appointment of a receiver to manage the Unit. If the Unit Owner remains in possession, he/she shall become liable to the Association for a reasonable rental for the Unit. If the net proceeds of the foreclosure sale of a Unit are insufficient to pay all amounts due to the Association, the Unit Owner shall remain personally liable for any deficiency in the same manner as provided in Section 11.6.1 above.

## 11.8 Collection of Assessments

The Board may take any action it deems appropriate to enforce the payment of any installment that is more than thirty (30) calendar days past due, and shall take such action in the case of any installment that is more than sixty (60) days past due. **After ninety days (90) such action may include shutting off water to the Unit and** the institution of a suit for a money judgment or the foreclosure of the lien securing the payment of the assessment or both to the extent permitted by law.

## ARTICLE 12 MANAGER

### 12.1 The Manager

The Board may designate a third party to act as the Manager of the Association to be responsible for the day-to-day affairs of the Association.

## **12.2 Delegation of Power**

The Board may delegate to the Manager such of the powers and authority held by the Board that may lawfully be delegated under the Act and the Declaration and the Manager may exercise such powers and authority to the same extent and in the same manner as the Board may have done absent such delegation.

## **ARTICLE 13 USE RESTRICTIONS**

### **13.1 Residential Use**

All Units shall be used exclusively for residential purposes.

### **13.2 Applicability to Tenants, Etc.**

13.2.1 No Unit Owner may lease their Unit to any Person unless the lease is in writing and contains a provision pursuant to which (i) the tenant expressly agrees to abide by all of the provisions of these By-Laws, including the Rules adopted pursuant to Section 13.2.2 hereof; (ii) the Unit Owner and the Tenant agree that a violation of these By-Laws or such Rules constitutes a violation of the Lease that is enforceable by the Association and (iii) and acknowledgment that the Tenant has received a copy of Rules.

13.2.2 Attached hereto as Exhibit A are the initial Rules regarding the use of the Common Areas of the Condominium and the use of individual Units. The Board shall have the power and authority to repeal, modify or add to the Rules from time to time in accordance with the provisions set forth hereunder:

13.2.3 The Board may at any regular, or special meeting called for that purpose, adopt a resolution repealing, amending or adding to the Rules then in effect;

13.2.4 In the event the Board adopts any such resolution it shall, within ten days of such meeting, send notice of the adoption to all Unit Owners which notice shall include a copy of the proposed change.

13.2.5 Unless the Board has, prior to such date, received an objection to such change from Unit Owners holding more than 50% of the Percentage Interest, the proposed change will become effective upon the expiration of ninety (90) days from the date of such meeting with the same force and effect as if it had been initially set forth on Exhibit A hereto.

## **ARTICLE 14 MORTGAGEES**

### **14.1 The Mortgage Book**

Each Unit Owner shall provide the Secretary (Office Manager) with the name and address of any Person holding a mortgage on their Unit and shall promptly notify the Secretary (Office Manager) of any changes in such names or addresses. The Secretary (Office Manager) shall maintain such Mortgagee Book among the records of the Association.

### **14.2 Right to Notices**

Upon the written request of any mortgagee listed in the Mortgagee Book as holding a mortgage on a Unit, the Secretary (Office Manager) shall send to such mortgagee a copy of any notice sent to the Unit Owner of such Unit by the Board; provided, however, that the failure of the Secretary (Office Manager) to send a notice to a mortgagee shall not affect any right that the Association, or the Board, may have against such Unit Owner, nor shall it affect any action taken at any meeting of the Association.

## **ARTICLE 15 NOTICE**

### **15.1 Form**

All notices required to be given pursuant to the terms of the Declaration or these By-Laws shall be in writing. Any notice required to be given by the Board or any officer, may be given by any duly authorized designee or the Board or such officer, including, without limitation, any Manager.

### **15.2 Method of Delivery**

15.2.1 If the recipient is a Unit Owner, Registered Unit Representative or Mortgagee, the notice shall be deemed delivered when sent to any electronic mail address listed in the Ownership Book or Mortgagee Book, respectively, or if sent by certified or registered mail, return receipt requested, to the postal address listed in the Ownership Book or Mortgagee Book, respectively.

15.2.2 If the recipient is the Board or the Secretary, the notice shall be deemed delivered upon receipt by any one of the President, the Secretary, or the Manager, respectively.

## **ARTICLE 16 CONFLICT**

In the event the Act conflicts with any provisions of the Declaration or By-Laws, the Act shall control. In the event the Declaration conflicts with the By-Laws, the Declaration shall control.

## **ARTICLE 17 AMENDMENTS**

### **17.1 Procedure for Approval.**

If the Board receives a proposed amendment to the By-Laws from any Board member, or five or more Registered Unit Representatives, it shall schedule a meeting of the Board to consider the amendment, which meeting shall be held within fifteen days of such receipt. In the event a majority of the Board shall approve the proposed amendment a special meeting of the Association shall be called to consider the amendment unless the next regularly scheduled meeting of the Association falls within the next one hundred twenty (120) days following such approval, in which case, the Board may postpone consideration of the amendment by the Association until such regularly scheduled meeting. If the Board is required to schedule a special meeting of the Association, it shall be scheduled within one hundred twenty (120) days following approval of the amendment by the Board. Any amendment to these By-Laws must be approved by at least sixty-six and two-thirds percent (66 2/3%) of the Percentage Interest of only voting/responding Owners which approval shall also constitute an approval to an amendment to the Declaration to which the amendment to the By-Laws shall be attached.

### **17.2 Execution and Recordation.**

Any amendment to these By-Laws that has received the approvals required above shall be attached as an exhibit to an amendment to the Declaration that shall be executed by the President or Vice-President of the Association and shall become effective upon recordation of such amendment to the Declaration in the Office of the Recorder of Deeds in Christiansted, St. Croix, United States Virgin Islands.