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# AMENDED AND RESTATED BY-LAWS
# OF
# COAKLEY BAY TOWNHOUSE APARTMENTS CONDOMINIUMS
# STAGE I & STAGE II
January 29, 2011

## Article I
Name – Purpose – Definitions – Fiscal Year –
Principal Office

1. Name. The association created by these By-Laws is named "Coakley Bay Association".

2. Purpose. This document is a complete restatement and is all-inclusive, and as such, supercedes all prior By-Laws and Amendments. These By-Laws are intended to govern the administration of Coakley Bay Townhouse Apartments Condominiums Stage I and Stage II, and the Association, and provide for the management, administration, utilization and maintenance of the Common Areas and Facilities described in the Declarations of Coakley Bay, Townhouse Apartments, Stage I and Stage II, (hereinafter sometimes referred to as "Declaration" or "Declarations").

3. Definitions. The following definitions shall apply to these By-Laws.

Association means all of the unit owners acting as a group in accordance with these By-Laws and Declarations whether acting in a corporate or non-corporate form, and using the name "Coakley Bay Association".

Common Area and Facilities shall consist of the entire Property (as defined in the Declaration), including all parts of the buildings (as defined in the Declaration), including:

-all exterior and interior structural walls within any unit;
-windows;
-entry doors;
-gallery railings;
-gallery sliders (excluding screening);
-gallery shutters;

further including as well as all other property, fixtures, personal property and furnishings with the buildings (other than individually owned units), or on the Property for the common use or necessary or convenient to the existence, maintenance or safety of the Property, excluding in owners' unit:

-locks on the steel entrance doors
-the screen frames and screens of the gallery sliders
-screens
-door and window grates
-air conditioners. Window air conditioners must be kept in good appearance and cannot leak/drip onto common areas. Owners will be notified if there is a problem with their units and given a time frame to address the problem. Coakley Bay's staff will assist owners with control of water leakage and the painting or removal

of old units at a cost to be determined by the Board of Directors from time to time.

Condominium means real property within given bounds with separate ownership of individual units thereon and with all unit owners owning, as tenants in common, an interest in common areas.

Condominium Unit consists of the area measured horizontally from the unit side of the exterior concrete walls of the building to the unit side of the walls and/or partitions separating such unit from steps, stairways, entrance bridges, landing platforms, or other common or limited areas and where walls and/or partitions are structural bearing walls or separate such unit from other units, to the side of such walls and/or partitions facing such unit. Each unit consists of the area measured vertically at the space between the top structural surface of the floor and the under structural surface of the ceiling and shall include the balcony and the rear landing appurtenant to each unit, and shall further include all finished plumbing and electrical fixtures, and all ceiling, wall and floor finishes (i.e., sheetrock, tiles, carpet, etc.).

Condominium Unit Owner or Unit Owner means the person owning, or the persons owning, or the legal entity owning, jointly or in common, a Condominium Unit and the common interest appertaining thereto. Except where the meaning clearly means otherwise, the word Member shall also refer to a Condominium Unit Owner.

Declaration means the Amended Declaration establishing a Plan for Condominium Ownership of Coakley Bay, Stages I and II, as amended from time to time.

Majority or Majority of Unit Owners means the Unit Owners with more than fifty percent (50%) of the votes in accordance with percentages assigned in the Declaration to the units for voting purposes.

In the absence of a definition contained herein and unless the context clearly indicates otherwise, all definitions set forth in the Declarations or the Condominium Act of the United States Virgin Islands are incorporated herein by reference.

4. Fiscal Year. Unless otherwise determined by the Board of Directors, the fiscal year of this Association shall be a calendar year.

5. Principal Office. The principal office of the Association is located at 5000 Estate Coakley Bay, St. Croix, Christiansted, U.S. Virgin Islands 00820.

## Article II
## Membership, Rights and Restrictions

1. Members (Condominium Unit Owners.) Every person, firm, association, corporation or other legal entity who is a record owner or co-owner of the fee simple title to any Condominium Unit shall be a member of the Association (hereinafter sometimes called "Unit Owner" or "Condominium Unit Owner"); provided, however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance or an obligation (including but not limited to mortgagees or trustees under a deed of trust) shall not be a Member of the Association. Notwithstanding the foregoing, any personal trust created for the benefit of the primary occupant of a Condominium Unit which has the occupant or an immediate family member of the occupant as a trustee, may be a Member of the Association.

2. Change of Membership. Change of Membership shall be accomplished by recording in the Recorder's Book of the District of St. Croix, Virgin Islands of the U.S.A., a deed or other instrument establishing a record title to a Condominium Unit, and the Membership of the prior Condominium Unit Owner shall be thereby terminated.

3. Rights of Membership. Every person who is entitled to Membership in the Association, pursuant to these By-Laws, shall be privileged to use and enjoy the Common Areas and Facilities, subject however to the right of the Association to:

a. Promulgate Rules and Regulations governing such use and enjoyment;

b. Suspend the use and enjoyment of the Common Areas and Facilities as provided in these By-Laws; and

The rights and restrictions of Members are subject to the limitations imposed by the Declarations, these By-Laws and applicable law.

4. Restrictions on Rights. To the degree allowed under United States Virgin Island law, the Board shall have the right to place restrictions on, and requirements respecting, the use and maintenance of the Condominium Units and it shall also have the right to place restrictions on and requirements respecting the use and maintenance of the Common Area and Facilities, not set forth in the Declaration, which are designed to prevent unreasonable interference with the use of their respective Condominium Units and the Common Areas and Facilities by the other apartment owners. Further, if Rules and Regulations governing the use of the Common Areas and Facilities and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the rights and privileges and any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation. If the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. The Board shall take no such action

until the alleged violator including the Unit Owner is afforded an opportunity for a hearing consistent with the principles of due process of law.

5. Votes-Unit Owners Register.

a. Each Condominium Unit Owners shall be entitled to one vote equal to the percentage of the undivided interest in the common areas and facilities for each Condominium Unit to which he or she holds title.

b. In accordance with Article 27 of the Declaration, the Secretary shall compile, and keep up to date, a "Unit Owners Register" which shall be a complete list of the Unit Owners and their last known post office address, and their last known email address, if any. This list shall also show opposite each unit owners name; the designation of the unit or units owned by the Unit Owner; the percentage of interest in the common areas and facilities owned by each unit; the names of any mortgagees which hold mortgages(s) on the Unit and the amount of the mortgage; the name of the person entitled to vote if the Unit is owned jointly or in common with others. It shall be the duty of the grantee or transferee to provide the above information in writing, to the Secretary. The Unit Owners Register shall be open to inspection by all Unit Owners and other persons lawfully entitled to inspect the Unit Owners Register, after having received Board permission. In the event there is a dispute between joint Owners or Owners in Common as to who shall vote, the person designated on the Unit Owners Register shall be entitled to cast the vote. If no name is designated on the Register as the person who is authorized to cast the vote, then the judges of the election shall determine which of the disputing persons shall be entitled to cast the vote.

6. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, the Declaration or these By-Laws, or any other matter which is to come before a meeting of the Membership of the Association. All proxies shall be in writing, signed and dated by the Condominium Unit Owners and delivered to the Secretary of the Association, or his or her designee, prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls, and no proxy shall be voted after six (6) months from its date unless the Condominium Unit Owner specifies a longer period, but in no case longer than two (2) years. Any proxy will be acceptable provided it clearly expresses the desired actions of the Condominium Unit Owner and clearly identifies the person who is entitled to vote on his or her behalf. A proxy may either be a blanket proxy entitling the holder to vote as the holder sees fit on any matter or specific in which the holder's vote is determined in the proxy. If a proxy is deemed invalid by the judges appointed to examine and count the votes, and there is an objection to the judges decision by ten (10%) percent of the Condominium Unit Owners in attendance in person or by proxy (not counting the contested proxy), then the judges determination shall be examined and allowed or disallowed by the Board of Directors. The holder of a proxy need not be a Condominium Unit Owner.

## Article III
## Meetings of Condominium Unit Owners

1. Place of Meetings. All meetings of the Members of the Association shall be held at the Condominium or at such other place convenient to the Members as may be designated by the Board.

2. Regular Annual Meetings. The annual meeting of the Condominium Unit Owners of the Association shall be held on the last Saturday in January of each year. At the annual meeting the election of Directors shall take place.

3. Special Meetings. Special meetings of Condominium Unit Owners shall be called by the President or by the Secretary when so ordered by a resolution of the Board, or upon the written request of Members representing not less than thirty-five (35%) percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Condominium Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Condominium Unit Owners held during the preceding twelve (12) months, which determination shall be made by the Board.

4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Condominium Unit Owners, whether annual or special, shall be given not less than thirty (30) days, nor more than sixty (60) days before the day on which the meeting is to be held, to each Condominium Unit Owner at the last known address, by delivering a written or printed notice thereof by U.S. mail, return receipt requested, or by hand delivery with the Condominium Unit Owner signing a receipt for it. Each notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Condominium Unit Owners shall not be required to have been sent to any Condominium Unit Owners who shall attend such meeting in person or by proxy. New notices of any meeting which is adjourned and rescheduled for a day which is less than thirty (30) days after the date set for the original meeting, shall not be required except when expressly required by law. Except where expressly required by law, no publication of any notice of a meeting of Condominium Unit Owners shall be required.

5. Quorum and Adjourned Meetings. At any meeting of the Condominium Unit Owners, persons holding thirty-five (35%) percent of the percentage interest in the Common Area and Facilities, in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the Board of Directors shall, adjourn the meeting from time to time, until a quorum shall be present or represented, provided all Condominium Unit Owners receive notice in accordance with these By-Laws.

6. Organization. At each meeting of the Association, the President or, in his absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Condominium Unit Owners present in person or represented by proxy and entitled to vote thereat, shall act as a chairperson, and the Secretary, or in his or her absence, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.

7. Voting. Except as otherwise required by the Declarations, these By-Laws or any law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Condominium Unit Owners. Subject to Section 8 of this Article (Judges), the election of Directors shall be by secret ballot. Unless determined by a majority of the votes of the Condominium Unit Owners present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be determined by secret ballot.

8. Judges. If at any meeting to the Condominium Unit Owners a vote by ballot shall be taken on any question, the chairperson or such meeting may appoint three (3) judges to act thereat with respect to such vote. Such judges shall decide upon the qualifications of voters and shall report the number of voters represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but as to the election of Directors, the number of votes received by each candidate need not be reported unless such information is requested by any Condominium Unit Owner. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The judges need not be Unit Owners. Officers and Directors of the Association may not be a judge on any question. Written ballots shall be retained for one year from the date that they were voted.

9. Order of Business. The order of business at the annual meeting of the Condominium Unit Owners or at any special meeting insofar as practicable shall be:

a. Calling of the roll and certifying the proxies.
b. Proof of notice of meeting and waiver of notice.
c. Reading and disposal of any unapproved minutes.
d. Receiving reports of officers.
e. Receiving reports of committees.
f. Unfinished business.
g. Appointment of judges or election, if appropriate.
h. Election of Directors, if appropriate.
i. New business.
j. Adjournment

10. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of the Condominium Unit Owners meetings when not in conflict with the laws of the U.S. Virgin Islands, the Declarations, or these By-Laws.

## Article IV
## The Board of Directors

1. Express and Implied Power and Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Certificate of Incorporation, (if the Association shall incorporate), the Declarations, and these By-Laws, to the extent not inconsistent with the laws of the United States Virgin Islands.

2. Number and Qualifications. The Board shall consist of nine (9) Directors each of whom shall be a Condominium Unit Owner. If for any reason the number of members on the Board becomes less than five (5) a new election for the vacancies shall take place within sixty (60) days.

The nine (9) positions on the Board of Directors shall be numbered Position 1 through Position 9, and each Director shall hold a particular Position designated by its number. The 9 positions shall be divided into three (3) Groups, and the Groups shall be numbered Group 1 through Group 3.

Group 1 shall consist of Positions 1, 2 & 3
Group 2 shall consist of Positions 4, 5 & 6
Group 3 shall consist of Positions 7, 8 & 9

Group 1 shall be elected in January of 2011 for 3 year terms, and successively thereafter every 3 years.

Group 2 shall be elected in January of 2012 for 3 year terms, and successively thereafter every 3 years.

Group 3 shall be elected in January of 2013 for 3 year terms, and successively thereafter every 3 years.

Upon election to the Board of Directors, each Director shall be assigned to a particular Position. Likewise, the existing Board members in January of 2011 when these Amended and Restate By-Laws are adopted, and whose terms do not expire in January of 2011, shall be assigned to a particular Position. There is no priority or other distinction as between the Positions within a particular Group, and shall be assigned randomly, however, once assigned, shall not change. The only purpose of assigning Position numbers is to positively identify the date of expiration of the term for each Position.

3. Election and Term of Office. Three Directors shall be elected each year for a term of three (3) years; in addition as many additional Directors shall be elected as needed to replace vacancies created during the year for any other reason. The term of any Unit Owner who is elected by the Members to fill a vacancy, shall be until the next annual meeting of Unit Owners and until his or her successor is elected and qualified. It being the purpose and intent hereof that each year three Directors shall be elected for a term of three years to join the previously elected Directors giving the Board of Directors continuity and experience. The terms of at least one-third of the Directors shall expire

annually. No Director may hold office for more than three (3) consecutive years, unless specifically provided otherwise in these By-Laws.

For purposes of this article a Director elected by the Unit Owners to fill a vacancy of one year or more and such term has expired; or a Director completing a three year term, cannot become a Director for a two year period from the time such term expires. Thus, a Director elected by the Unit Owners to fill a vacancy of one year, or less, may run for, and be elected to an immediately succeeding, full three (3) year term, thereby serving in excess of three (3) consecutive years. The time from one Annual Meeting in January to the next Annual Meeting in January shall be deemed to be one year, whether actually more or less than one year.

Once a Director leaves office he or she shall not again become a Director for a two year period from the time he or she leaves office. In the event an unexpired Director's term of office must be filled by the Board the candidate receiving the fourth highest number of affirmative votes shall be elected to complete the unexpired term. In the event there is more than one unexpired Directors term of office to be filled, then the candidate receiving the fourth largest number of affirmative votes shall be elected to the longest unexpired term of office. The candidate receiving the fifth largest number of affirmative votes shall be elected to the second longest unexpired term of office. This pattern shall be followed until there are no more unexpired Director's terms of office to be filled.

There shall be no more than one (1) Director per Condominium Unit. For Condominium Units which are owned by more than one owner, the eligibility, or ineligibility of any one of the owners to serve on the Board of Directors shall be the same for all the owners, which shall not change for any individual, regardless of change of ownership of the Condominium Unit nor shall the eligibility change in the event of the acquisition of another Unit by any person or entity.

Further, if an individual or entity owns more than one Condominium Unit, such multiple ownership shall not increase the eligibility of the individual to serve as a Director.

For example (but not by way of limitation), if an individual owns more than one Condominium Unit and serves a 3 year term (or otherwise comes to the end of a term which requires two years of ineligibility), such individual shall not be eligible to serve another successive 3 year term, or otherwise serve on the Board of Directors, due to the ownership of another or multiple Condominium Unit(s).

Likewise as another example (but not by way of limitation), if a couple owns two Condominium Units, such ownership of multiple units shall not qualify both individuals to serve on the Board at the same time.

The eligibility to serve on the Board of Directors shall run with both the Condominium Unit, regardless of change of ownership, and shall also run with the individual, and that individual's co-owner(s), regardless of multiple ownership and regardless of acquisition of ownership of a different Condominium Unit.

4. Removal of Members of the Board. Any one or more of Directors may be removed with or without cause at any duly held regular or special meeting of the Condominium Unit Owners by a majority vote of all of the Condominium Unit Owners present, in

person or by proxy, provided that the notice of the meeting expressly included this item of business on the agenda and further provided that votes cast for the removal of said officer(s) shall represent at least 35 percent (35%) of all of the votes that can be cast by all Condominium Unit Owners. In such event a successor(s) may then and there be elected by a majority of the Unit Owners to fill the vacancy thus created. Each person so elected shall be a Director until the next annual meeting of the Condominium Unit Owners and until his or her successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. Absence of a Board member from three (3) consecutive Board meetings without good cause shall be reason for removal from the board after notice.

5. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Condominium Unit Owners of the Association, shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. At least fourteen (14) days prior to the Board of Directors meeting in which a vote shall be taken to fill such vacancy, or vacancies, the membership shall be notified. At a minimum, the means of notification shall be an email sent to the email addresses of all the Unit Owners who have an email address on file with the Association.

Notwithstanding the foregoing provision for filing a vacancy on the Board of Directors, in the event there exists only one (1) vacant position, then the Board may, at the Board's discretion, decline to fill the vacant position and operate with 8 board members until the next meeting of the owners. Likewise, in the event of multiple vacancies, the Board may, at the Board's discretion, elect to fill only enough positions such that the Board consists of a minimum of 8 Board members until the next owners' meeting.

Each person so elected shall be a Director until the next annual meeting of the Condominium Unit Owners. At such a meeting the Condominium Unit Owners shall elect a Director to serve the remaining term of the Director who was removed or otherwise left the Board, and until his successor shall have been duly elected and qualified. The individual elected by the Board of Directors to fill the vacancy until the next annual meeting of the Condominium Unit Owners shall be eligible to run for and be elected to serve the remainder of the 3 year term. If the such Director's 3 year term expires at that next annual meeting of the Condominium Unit Owners, the individual elected by the Board of Directors to fill the vacancy until the next annual meeting of the Condominium Unit Owners shall be eligible to run for and be elected to serve the full 3 year term, and thus serve in excess of 3 years, notwithstanding other provisions herein limiting service to 3 years.

6. Meeting of the Board; Notices; Waiver of Notice. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least four meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, email (if the Director has consented to the same as adequate notice) mail, facsimile or other valid means at least twenty (20) days prior to the day of the meeting. Except in the case of an emergency,

special meetings of the Board may be called by the President with notice given by the Secretary on at least ten (10) days notice to each Director. The notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President; or the Secretary may do so upon the written request of at least five (5) Directors. Any Director may, at any time, waive notice of any meeting of the Board. To be effective and apply to any particular Director, that Director must waive his or her own right to notice, and a resolution passed by a majority of the Board members to waive notice of any future meeting shall not be binding on Directors who do not consent to waive notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. At the discretion of the Board, attendance at Board meetings may be by telephone conference, video or other means that the Board deems appropriate, subject however to the same notice requirements of an actual meeting. Except when circumstances exist, which the Board of Directors reasonably determines requires a closed meeting, Unit Owners may attend Board of Directors meetings. Attendance shall be for the purpose of observation only, unless the Board determines otherwise.

7. Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and votes of a majority of the Directors present or in active communication with the meeting by other means shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date upon notice to all Directors. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted. Proxies for meetings of the Board of Directors is prohibited. Only the Board members who are present and participating in the deliberations (either in person, via teleconference or other approved means) shall be counted to determine a quorum and permitted to vote on any issue or motion before the Board. No member of the Board shall be permitted to vote for another member via proxy.

8. Non-waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

9. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-Laws notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board shall consent in writing to such action.

## Article V
## Powers and Duties of the Board of Directors

1. General Powers and Privileges. The Board shall have those powers, which include but which are not necessarily limited to the following, together with such other powers as

may be provided herein or in the Declarations, or which may be necessarily implied. The powers to:

a. Do anything and everything necessary for the sound management of the Condominium, including the power to employ, by contract or otherwise, a manager, managing agent or an independent contractor or legal entity, to oversee, supervise and carry out the responsibilities of the Board. Said person shall be compensated upon such terms as the Board deems necessary and proper;

b. To employ any person, firm or corporation to repair, maintain, renovate or improve the Common Areas and Facilities of the Condominium; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Common Areas and Facilities;

c. Employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants;

d. To employ or contract for water, sewer and electricity or other forms of utilities, cable or master antenna television, and other forms of utilities, cable or master antenna television;

e. To employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder;

f. To adopt, amend, and publish Rules and Regulations covering the details of the operation and use of the Common Areas and Facilities;

g. Secure full performance by condominium Unit Owners or occupants of all items of maintenance for which they are responsible;

h. Establish and enforce Rules and Regulations covering all aspects of the Condominium Units and Common Areas and Facilities and their use and operation, subject to provisions of the Declarations, Certificate of Incorporation (if incorporated) and these By-Laws;

i. Enforce obligations of the Condominium Unit Owners including the right to bring or defend lawsuits to enforce the Rules and Regulations and the terms, conditions and restrictions contained in the Declarations, and these By-Laws;

j. Borrow and repay monies, giving notes, mortgages or other security upon such term or terms as it deems necessary within the limits of the Declarations, these By-Laws, and applicable law and provided that without Unit Owners permission such obligations, in the aggregate, do not exceed fifty percent (50%) of the Unit Owners equity in the Common Areas and Facilities;

k. Invest and reinvest monies, sue and be sued, collect interest, dividends, rent and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto;

l. Transfer and obtain easements, licenses, leases and other property rights with respect to contiguous lands;

m. Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Condominium Unit Owners within the Condominium, Condominium Units offered for sale or lease or surrendered by their Owners to the Board;

n. Purchase Condominium Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all condominium Unit Owners;

o. Sell, lease, mortgage (but not vote the votes appurtenant thereto) or otherwise deal with Condominium Units acquired by the Association, and sublease any such Condominium Units leased by the Association or its designees, on behalf of all Condominium Unit Owners;

p. Bring and defend actions by or against one or more than one Condominium Unit Owner which are pertinent to the operation of the Condominium, the health, safety or general welfare of the Condominium Unit Owners, or any other legal action to which the Condominium Unit Owners may consent in accordance with these By-Laws; and

q. Create, appoint condominium Unit Owners to committees and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers.

2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

a. Cause the Common Areas and Facilities to be maintained according to accepted standards and as set forth in the Declarations, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary and as the Board deems appropriate;

b. To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Areas and Facilities. Compensation

for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association;

c. Cause to be kept a complete accurate record of all its acts and corporate affairs and to present a summary report thereof to the Members at the annual meeting or at any special meeting when requested to do so at least thirty (30) days prior to such special meeting by ten or more Condominium Unit Owners;

d. Allocate common surplus and make repairs, additions, improvements to, or restoration of the Common Areas and Facilities in accordance with the provisions of these By-Laws and the Declarations after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

e. Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereupon by federal, state, territorial, county or municipal authority having jurisdiction thereover, and order of the board of Fire Underwriters (if any) or other similar bodies;

f. Place and keep in force all insurance coverages required or otherwise deemed desirable to be maintained by the Association, applicable to its property and Unit Owners;

g. To manage the fiscal affairs of the Association as hereinafter provided in these By-Laws; and

h. To establish an Owners Committee (Covenants Committee) as hereafter provided in these By-Laws.

3. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium more secure than it otherwise might be. Neither the Association nor its representatives shall in any way be considered insurers or guarantors of security within the Condominium complex. Nor shall the Association, or its representatives be held liable for any loss of damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

## Article VI
## Fiscal Management

1. Common Expense Assessments. The Board shall have the duty to collect from each Condominium Unit Owner, or their heirs, administrators, successors and assigns, as "Common Expense Assessments", the proportionate part of the Common Expenses assessed against such Condominium Unit Owner as provided in the Declarations, these By-Laws, and in accordance with applicable law.

2. Joint and Several Liability of Grantor and Grantee for Unpaid Common Expenses.

a. In a voluntary conveyance the grantee of an apartment shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his or her share of the common expenses up to the time of the grant or conveyance.

b. The Association shall, upon the request of any grantor or grantee or any Unit Condominium Owner or of any mortgagee, furnish to such person, a certificate in writing, signed by an officer of the Association, setting forth whether common expense assessments for his or her Condominium Unit have been paid to date. Such certificate shall constitute evidence of the payment of any common expense assessments therein stated to have been paid.

3. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be calculated by the Board and approved by a majority of the Unit Owners. Prior to the Board making an annual assessment, the Board shall have prepared and the Board shall adopt an operating budget which shall provide for any and all common expenses to be incurred during the year as well as adequate reserves for repair and replacement of the Common Area and Facilities. Common expense assessment and distribution of surplus will be assessed and distributed in accordance with each unit's undivided percentage interest of ownership of the Common Area Facilities, as recited on Exhibit "B", attached hereto and made a part hereof. The budget and assessments may be amended at any time by the Board, in the event the annual common expense assessments prove to be insufficient, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum Assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency, subject to the limitation set forth herein.

4. Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Declarations, these By-Laws and applicable law.

5. Financial Controls. The board shall, with the assistance of its outside auditors, establish proper accounting and operating controls and procedures, which shall be memorialized in writing, to protect the assets of the Association; control expenses and comply with tax laws and regulations. These controls shall be reviewed by the Board and its outside auditors at least annually and revised if necessary. The Board shall also appoint three Unit Owners who may, but need not be members of the Board, to an audit committee to monitor compliance with these controls and procedures. This committee shall report directly to the Board of Directors and to the Unit Owners at the annual Condominium Unit Owners meeting.

6. Depositories. The depository of the Association shall be such federally insured institutions as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited in the name of the Association. Except as specifically provided below, all withdrawals of monies from such accounts shall be only by checks signed by such Directors as are authorized by the Board, provided that a management agreement may include among its provisions authority for a manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond (or suitable coverage under a commercial crime insurance policy, as provided in these By-Laws) is furnished to the Association.

Electronic withdrawals or wire transfers of monies from the Association's accounts may be permitted if specifically authorized by Resolution of the Board of Directors and are for one of the following purposes only:

1. Obligations to the U.S. Treasury, for example, but not limited to, payments to the U.S. Treasury for payroll deductions.

2. Recurring, periodic mortgage payments that the Association is obligated to pay.

3. Direct deposit of payroll to employees of the Association if the Board of Directors implements such a program and the employee opts-in for the program.

7. Accounts.

a. The receipts and expenditures of the Association shall be Common Expense Assessments and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses;

i. Current expenses, which shall include expenditures within the year for which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall be applied to reserves or to reduce the assessments for current expenses for the succeeding year, or may be distributed to the Membership as the Board shall determine.

ii. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

iii. Reserve for replacement, which shall include funds for repair or replacement of the Common Areas and Facilities and those portions of the improvements located on the property which the Association is obligated to maintain, or repair and may be required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.

iv. Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional real or personal property that will be part of the Common Areas and Facilities.

v. Operations, which shall include all funds from the use of the Common Areas and Facilities or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Condominium Unit Owners, which assessments may be made in advance in order to provide a working fund.

b. The Board shall not be required to physically segregate the funds held in the above accounts but may, in its sold discretion, maintain the funds in one or more accounts, and the classifications set forth above need be made only on the Associations records.

8. Expenditure of Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. Notwithstanding anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Condominium Unit Owners and is allocable to reserves for each separate item of capital improvement of and to said property. The amounts assessed and collected for the reserves shall be kept in one or more federally insured interest-bearing accounts, or certificates of deposit and shall not be utilized for any purpose other than that which was identified at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its function.

9. Notice; Budget Continuation; Emergencies.

a. The Board shall give thirty (30) days notice to each Condominium Unit Owner, in writing, and to any Institutional Lender who requests same, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Condominium Unit Owner at his last known address by ordinary mail, or by hand delivery.

b. If an annual Common Expense Assessment is not made as required, an Assessment shall be presumed to have been made in the amount of the last prior year's Assessment and monthly installments on such Assessment shall be due

upon each installment payment date until changed by an amended Assessment. In the event the annual Common Expense Assessment proved to be insufficient, the budget and Assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum Assessment in the case of any immediate need or emergency which cannot be met by reserve funds earmarked for such contingency.

10. Default, Late Payment; Acceleration of Installments; Late Charges; Interest; Counsel Fees.

a. If a Condominium Unit Owner shall be delinquent in any amount, or not current, for a period of ninety (90) consecutive days of the payment of the Common Expense Assessment and/or any Special Assessment(s), the Board shall accelerate the remaining installments of the Annual and/or Special Assessment(s) and all related charges and file a lien for such accelerated amount upon written notice to the Condominium Unit Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense Assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after actual delivery of the notice to the Condominium Unit Owner, or not less than ten (10) days after the mailing to the Condominium Unit Owner of such notice to him or her by registered or certified mail, return receipt requested, whichever shall first occur. In addition to the foregoing manner of notification (but not as a substitution), the Association may also notify the Condominium Unit Owner via email. In the event actual delivery or delivery by registered or certified mail cannot be accomplished then notice may be given in the manner provided for in the "Notice" article of these By-Laws. The Board may also notify any Institutional Lender holding a mortgage which encumbers the Condominium Unit affected by such default or publish appropriate notice of such delinquency to the Membership of the Association. The Board of Directors and the staff of the Association shall have no discretion to grant leniency to any Condominium Unit Owner who's payments are delinquent, or not current, for the above referenced ninety (90) consecutive days, concerning the acceleration of the remaining installments of the Annual and/or Special Assessment(s) and all related charges and the filing of a lien as provided above. If said default continues for the above recited ninety (90) days then the Board may foreclose the foregoing lien pursuant to law and/or commence a civil action against the appropriate parties to collect said Assessment, and/or pursue any other remedy available to the Association provided in these By-Laws or the law.

**Reinstatement:** After acceleration of the amounts due the Association as provided above, the Condominium Unit Owner shall have the right, prior to foreclosure, to have the monthly installment payments reinstated upon the Condominium Unit Owner making payment in the form of "good funds", of all past due amounts, plus any late fees, plus costs associated with the acceleration, including, but not limited to, attorneys' fees, plus a Reinstatement Fee. The amount of the Reinstatement Fee shall be an amount set by the Board of Directors and included in the written Financial Controls Policy.

b. If a Unit is rented under the authority of the Unit's Owner, the Board of Directors may collect and the tenant shall pay over to the Association so much of the rent thereof as is required to pay any amounts due the Association, plus interest and cost, if the same are in default over thirty (30) days. Neither the tenant nor the Owner shall have the right to question payment over to the Association and such payment will discharge the tenant's duty of payment to the Owner of the Unit to the extent of the payment to the Association, but will not operate to discharge the continuing obligations of the Owner of the Unit for payment of assessments or charges, or operate as an approval of the lease. The remedies provided under this section are cumulative and the Board of Directors may pursue them concurrently, as well as any other remedies which may be available under the law, although not expressed herein.

c. Subject to the Declaration, these By-Laws and applicable law, the Board at its option shall have the right in connection with the collection of any Common Expense Assessment, or other charge, to impose a charge of any reasonable amount and/or interest at the legal maximum rate permitted by United States Virgin Island law for the payment of delinquent real estate taxes, if such payment is made after the due date therefore, as stated in such notice. In the event that the Board shall effectuate collection of said Assessments or charges by resort to counsel, and/or the filing of a lien, the board may add a reasonable amount as counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien. This is in addition to such other costs as may be allowable by law.

11. Actions by or Against Association; Assessment of Expenses and Allocation of Awards.

a. In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of these By-Laws, or the Declarations the reasonable costs and expenses of preparation and litigation, including attorneys fees, shall be Common Expense allocated to all Condominium Unit Owners.

b. Money judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied in the following order: (1) refunding to the Condominium Unit Owners the cost and expenses of litigation advanced by them; (2) Common Expense Assessments, if the recovery thereof was the purpose of the litigation; (3) repair or reconstruction of the Common Areas and Facilities if recovery of damages to same was the motivation for the litigation; (4) the payment of unpaid litigation expenses; and (5) any amount not applied to (1), (2) (3) and (4) above shall at the discretion of the Board be treated either as (i) a common surplus which shall be allocated and distributed pursuant to the provisions of the Declarations if any or (ii) a set off against the Common Expense Assessments. Notwithstanding the foregoing, if a Condominium Unit Owners, the

Board or any other person or legal entity affected by any such distribution, shall assert that the damages sustained or the diminution of value suffered by a Condominium Unit Owners was disproportionate to his or their percentage of common interest, in the event the matter may be submitted to arbitration to be decided in accordance with the procedures set forth in these By-Laws.

c. All Common Expense Assessments received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before expending any part of the same for any other purpose.

d. In the event that a Condominium Unit Owners succeed in obtaining a judgment or order against the Association or the Board, then in addition to any other sums to which said Owners would otherwise be entitled by such judgment or order, he or she shall also be entitled to the restitution or recovery of any sums paid to the board as Common Expense Assessments for litigation expenses in relation to said action or proceeding.

12. Annual and Special Audits.

a. The Board shall submit all of the books, records and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit the same and render a certified report thereon in writing to the Board and in summary form to the Condominium Unit Owners and such Institutional Lenders or other persons, firms or corporations as may be entitled to same.

b. In addition, whenever requested by thirty-five percent (35%) of the Condominium Unit Owners, the Board shall retain the services of a certified public accounting firm to complete a full or partial audit of the books and records in accordance with the request of the Unit Owners.

13. Examination of Books. Each Condominium Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time on business days.

14. Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association Funds. The amount of such bonds shall be determined by the Board, but in no event shall be less than an amount equal to three months assessments on all Condominium Units plus the amount of the Associations reserve funds. The premium on such bonds shall be paid by the Association and be considered a Common Expense. As an alternative to a fidelity bond, the Association may obtain a Commercial Crime policy provided that the amount and type of coverage is equal to or greater than a fidelity bond.

## Article VII
## Insurance

1. Insurance Coverage. To the degree obtainable at a reasonable cost, the Board, on behalf of the Association shall obtain and maintain in full force and effect, at all times, the following insurance coverages:

a. Insurance covering the Common Areas and Facilities, including all personal property owned by the Association, against loss or damage by fire, or other hazard, including windstorm, earthquake and extended coverage, and including protection against vandalism and malicious mischief, all in amounts deemed by the Board of Directors to be sufficient to cover the full replacement cost of any repair or reconstruction of such insurable improvements and the actual cash value of personal property.

b. Insurance covering the Condominium Units against loss or damage by fire, or other hazard, including windstorm, earthquake and malicious mischief, all in amounts deemed by the Board of Directors as sufficient to cover the full replacement cost of any repair or reconstruction to original constructed condition not including alterations by current or previous Unit Owners. Fixtures and major appliances shall be covered by such insurance but personal property shall be excluded. Notwithstanding the foregoing, in the event insurance coverage for Condominium Units becomes more economical to insure individually by the Unit Owners as determined by an affirmative majority vote at an annual or special meeting, blanket coverage may be discontinued upon no less than ninety (90) days notice with Unit Owners required to insure their individual Condominium Units.

c. Comprehensive public liability insurance covering all the Common Areas and insuring against all damage or liability caused by the acts of the Association, its officers, Directors, agents and employees, all Condominium Unit Owners and other persons entitled to occupy any Condominium Unit or any portion of the condominium, with limits in amounts authorized from time to time by the Association.

d. Directors and officers liability insurance in reasonable amounts as determined by the Board.

e. Such other types and amounts of insurance as may from time to time be deemed necessary, desirable or proper by the Board of Directors and, including without limitation, workers compensation insurance, and errors and omissions coverage for the Directors, officers, agents and employees of the Association.

2. Payment of Insurance Premiums. Premiums for all insurance carried by the Association shall be Common Expenses and shall be paid by the Association.

3. Policy Standards.

a. All insurance coverage obtained by the Association shall be written in the name of Coakley Bay Association, c/o the Board of Directors of the Association, as trustee for each of the Condominium Unit Owners and their mortgagees, as their interests may appear and their respective percentages of undivided interest in the Common Areas. Each insurance policy shall be issued by an insurer registered to do business in the United States Virgin Islands and shall provide for the issuance of a certificate of insurance to each Condominium Unit Owner and its mortgagee, if any.

b. To the degree that it is reasonably obtainable, the Association shall attempt to cause all of such insurance policies to contain: (i) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Condominium Unit Owners and their employees, agents, tenants and invitees, and a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured: (ii) a waiver by the insurer of its right to repair or reconstruct instead of paying cash; (iii) a provision that the policy cannot be canceled, invalidated or suspended on account of the conduct of any Condominium Unit Owner or any employee, agent, tenant or invitee of any Condominium Unit Owner, or any officer, Director, agent or employee or the Association without a prior demand in writing and delivered to the Association to cure the defect and the allowance of reasonable time thereafter within which the defect may be cured by the Association, any Condominium Unit Owner, or any mortgagee; (iv) a provision that any "other insurance" clause in the policy shall exclude from its scope any policies of the individual Condominium Unit Owners; (v) a provision that the coverage may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all of the insured thereunder, including mortgagees; and (vi) a provision that the coverage will not be prejudiced by any act or neglect of the Condominium Unit Owners of any Condominium Unit when such act or neglect is not within the control of the Association, or any failure of the Association to comply with any warranty or condition regarding any portion of the property over which the Association has no control.

4. Adjustment of Losses. Exclusive authority to adjust losses under insurance policies obtained by the Association shall vest in the Board of Directors.

5. Individual Insurance by Condominium Unit Owners. Each Condominium Unit Owner may obtain, at his or her sole cost and expense, any insurance coverage whether or not similar insurance is maintained by the Association, including without limitation coverage for furniture, accessories, clothes and other similar personal property owned by the Condominium Unit Owner. Any Condominium Unit Owner who obtains an individual

insurance policy rejecting any risk for which insurance is carried by the Association shall file a copy of such individual policy with the Association within thirty (30) days after the purchase thereof.

6. Handling of Insurance Proceeds. All insurance policies purchased by the Association shall provide that the proceeds thereof shall be paid to the Board of Directors as trustees. The Board of Directors shall have the full power and authority to receive such proceeds and to issue receipts therefor, and to deal with such proceeds as provided herein in trust for the Unit Owners. Each Condominium Unit Owner hereby appoints the Board of Directors as its attorney-in-fact to represent it in connection with any proceedings, negotiations, settlements, or agreements regarding the insurance policies purchased by the Association. This power of attorney is coupled with an interest and is irrevocable. The Board of Directors shall receive such proceeds and hold them in trust for the benefit of the Condominium Unit Owners and their mortgagees as follows:

a. Proceeds on account of damage to the Common Areas not involving a Condominium Unit shall be held to the extent of the undivided interest of each Condominium Unit Owner, for each Condominium Unit Owner such interest to be equal to the undivided interest of each Condominium Unit Owners in the Common Areas.

b. Proceeds on account of damage to Condominium Units (or on account of damage to Common Areas involving a Condominium Unit) shall be held for the Unit Owners.

c. In the event a mortgagee endorsement has been issued for any Condominium Unit under the policy, the share of that Condominium Unit under the policy, the share of that Condominium Unit Owner shall be held in trust for the Condominium Unit Owner and the mortgagee, as their interests may appear.

d. In the event of a catastrophe and there be a majority vote of the Condominium Unit Owners not to repair or reconstruct the damage caused by such destruction, the insurance proceeds, or such portion thereof as may be required for such repair or reconstruction, shall be disbursed by the Board of Directors to the Unit Owners as provided herein. Any proceeds remaining shall be common profits (as defined in the United States Virgin Island Condominium Act).

## Article VIII
## Officers

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 members of the board, and Condominium Unit Owners. The Board may also appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary.

2. Election of Officers. The officers of the Association shall be elected annually, by the Board at the first Board of Directors meeting following each annual meeting and such officers shall hold office for a period of one year and at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of two-thirds of the Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his or her successor elected at any regular meeting of the Board, or at any special meeting of the board called for such purpose.

4. Duties and Responsibilities of Officers.

a. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the President of a condominium association.

b. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other Director to so do on an interim basis. The Vice-President shall also perform such other duties as from time to time be imposed upon the Vice-President by the board or the President.

c. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all regular and executive meetings of the Board, as well as regular and special meetings of the Association. The Secretary shall keep a book containing copies of all minutes of such meetings, including all resolutions; shall have charge of such books and papers as the Board may direct. The record of all meetings, including tapes, shall be filed and maintained in the office of the Association, and available to the owners upon request. The Secretary shall perform all duties incident to the office of the Secretary.

d. The Treasurer shall have the responsibility for the custody of 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. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as

may from time to time be authorized by the Board. The Treasurer shall submit the books for an annual audit and such other audits as the Board shall require.

5. Other Duties and Powers. The officers shall have such other duties, powers and responsibilities as shall from time to time, be authorized by the Board.

## Article IX
## Compensation, Indemnification and Exculpation

1. Compensation. No compensation shall be paid to a Director or officer when acting in that capacity nor shall any Director or officer be retained as an employee of the Association, either directly or indirectly. Nothing herein stated shall prevent any officer, Director or committee member from being reimbursed for any expenses as shall have been authorized in advance by the Board; or in emergency approved by the Board.

2. Indemnification. Each Director and officer of the Association, and their delegates, shall be indemnified by the Association against the actual amount of net loss including by or imposed upon him or her in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, or delegates, except as to matters as to which he or she shall be found in such action to be liable for gross negligence or willful misconduct.

3. Exculpation. Neither the Board as a body nor any director nor any officer of the Association, nor the delegates or appointees of any of them, shall be personally liable to any member in any respect for any action or lack of action rising out of the execution of the duties of his or her office in the absence of a showing of bad faith, and each member and Unit Owner shall be bound by the good faith actions of the Board and officers of the Association or the delegates or appointees, in the execution of the duties of trustees and officers.

## Article X
## Owners (Covenants) Committee

1. Purpose. The Board may establish a Covenants Committee which shall be called the "Owners Committee", consisting of at least two Condominium Unit Owners who are not members of the Board, appointed by the Board, each to serve for a term of one year. In addition the manager of the condominium buildings shall be a permanent member of the Owners Committee. The purpose of the Committee shall be to assure the Condominium shall always be maintained in a matter:

a. Providing for visual harmony and soundness of repair;
b. Avoiding activities deleterious to the esthetic or property values of the condominium;

c. Furthering the comfort of the Condominium Unit Owners, their guests, invitees and lessees, and

d. Promoting the general welfare and safety of the Condominium community.

2. Powers. The Owners Committee shall regulate the external design, appearance, use and maintenance of the common Areas and Facilities in accordance with standards and guidelines contained in the Declarations or these By-Laws or otherwise adopted by the Board. The Owners Committee shall have the power to recommend to the Board that they issue a cease and desist order to a Condominium Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act of the Virgin Islands, the Declarations, these By-Laws, the Rules and Regulations or Resolutions of the Board. The Owners Committee shall from time to time, as required, provide interpretations of the Declarations, By-Laws, Rules and Regulations and Resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Condominium Unit Owner or the Board. Any action, ruling or decision of the Owners Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and vote of a majority of the full authorized membership of the Board may affirm, modify or reverse any such action, ruling or decision.

3. Authority. The Owners Committee shall have such additional duties, power and authority as the Board may from time to time provide by Resolution including, but not limited to, the right to recommend to the Board that it impose fines pursuant to Virgin Island law, the Declarations, or these By-Laws. The Board may relieve the Owners Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of its full authorized membership. The Owners Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by Resolution of the board. Notwithstanding the foregoing, no action may be taken by the Owners Committee without the Board giving the Condominium Unit Owners involved at least ten (10) days prior written notice and affording him or her the opportunity to be heard, with or without counsel, and the right to cross examine witnesses, with respect to the violation(s) asserted.

## Article XI

## Additions, Alterations or Improvements Made by the Association; Emergency Expenditures

a. Whenever, in the judgment of the Board, the Common Areas and Facilities require repairs, replacements or improvements, aggregating in one year, in excess of $50,000, said improvements shall not be made unless they have been approved by a majority of votes entitled to be cast by those present in person or by proxy at a meeting of the Condominium Unit Owners at which a quorum is present or by ballot. When said

approval is obtained, all condominium Unit Owners shall be assessed for the cost thereof as a Common Expense.

b. In the event of any emergency which could cause damage to any building or part(s) thereof, the Board may expend sums which in the aggregate are in excess of $50,000 to protect the said building or part(s) and judgment of the Board shall be final.

## Article XII
## Compliance with Covenants, By-Laws and Administrative Provisions; Enforcement; Actions

1. Compliance. Each Condominium Unit owner shall comply strictly with the By-Laws and the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the declarations or in the deed to his or her Condominium Unit. Failure to comply with any of the same shall be ground for an action to recover sums due, for damages or injunctive relief or both maintainable by the manager or Board of Directors on behalf of the Association, or in a proper case, by an aggrieved Condominium Unit owner.

2. Enforcement. Subject to the Declaration, these By-Laws and when not prohibited by United States Virgin Island law, the Board shall have the power, to enforce the terms of this instrument or any Rule or Regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost of any part thereof; complaint to the duly constituted authorities; or by taking any other action, summary or otherwise, before any court, as may be provided by law.

3. Administrative Charges. Subject to the Declaration, these By-Laws and when not prohibited by law, the Board shall also have the power to assess an administrative charge against any Condominium Unit Owners for violations(s) of any rule or Regulation of the Association or for any covenants or restrictions contained in the Declarations or By-Laws, except that no fine may be levied for more than seven (7%) percent of that Unit Owners monthly maintenance charge for any one violation; provided, however, that for each day a violation continues after notice, it shall be considered a separate violation. Collection of these charges may be enforced against any Condominium Unit Owners involved as if the charge were a Common Expense owed by the particular Condominium Unit Owners. Notwithstanding the foregoing, before any such charge is imposed by the Board, the Condominium Unit Owners involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

4. Actions. Without limiting the rights of any Condominium Unit Owners, actions may be brought by the manager or Board of Directors in either case in the discretion of the Board

of Directors, on behalf of two or more of the Condominium Unit Owners, as their respective interest may appear, with respect to any cause of action relating to the Common Areas and Facilities or more than one Condominium Unit.

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

## Article XIII
## Amendments

These By-Laws, or any of them, may be amended or repealed, or new By-Laws be made, at any meeting of the Association duly held for such purpose, if at least 45 days previous to said meeting, a written notice is sent to all Condominium Unit Owners specifying the language of the amendment or of the repeal. In order to amend, repeal or create new By-Laws at a meeting called for that purpose, a quorum must be present and there must be an affirmative vote cast by at least two-thirds, (by percentage of interest) of all of the Condominium Unit Owners. The obligation of the proportionate responsibility for the payment of Common Expenses with respect to Condominium Units or the Common Areas and Facilities may not be changed by reason of any such new By-law, amendment or repeal without one hundred (100%) percent of all votes being cast in the affirmative.

## Article XIV
## Conflict; Invalidity

1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or contradiction of the Declarations, or with the requirements of any law, then the requirements of the Declarations, or said law shall be deemed controlling, but only to the extent of the conflict.

2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the validity of the remaining provisions of the By-Laws.

## Article XV
## Notice

Except as otherwise specifically provided herein or in the Declarations; any notice required to be sent to any Condominium Unit Owners under the provisions of the Declarations or these By-Laws shall be deemed to have been properly sent and notice thereby given, fourteen (14) days after the date when mailed, by regular post with postage prepaid, addressed to the Condominium Unit Owners at the address listed in the "Unit Owners Register" which is maintained by the Secretary, or if no address is so listed then to the last known post office address of the person(s) who appears as a Condominium Unit Owners or any other records of the Association at the time of such mailing or if

none then to the last known address of the Condominium Unit Owners. It shall be the obligation of every Condominium Unit Owners to immediately notify the Secretary of the Association, in writing, of any change of address.

**Email Notices:** For the purpose of enhancing the efficiency of the Notice procedures, and to save on the expense and resources of paper, postage and the time required of the personnel of the Association, the Board of Directors may, from time to time, provide to the Unit Owners the opportunity to receive Notices provided in these By-Laws and statements and invoices relating to the Maintenance Fee to the Association, via email rather than, and instead of by U.S. Mail, except for matters required by law or these By-Laws for other means of notification.

**Opt-in:** In the event the Board of Directors makes such election, the Board shall promulgate a form to be signed by each Unit Owner desiring and consenting to the arrangement of notification by email rather than by U.S. Mail. The Board of Directors may also provide for such election to be made online at the Association's website, or otherwise.

**Opt-out:** The Board of Directors shall also promulgate a form for the Unit Owners' signature for those desiring to revert back to U.S. Mail notification from email notification. The Board of Directors may also provide for such election to be made online at the Association's website, or otherwise.

**Association receipt of Owner's choice:** Any such signed form shall be actually received by the Association ("mail box rule" does not apply) not later than 30 days prior to the sending of a notification by the Association, to be effective for that notification. Notices sent to a Unit Owner whose signed form was received less than 30 days prior to the notification may be sent by the Association by either means.

**Duration of the email policy:** The election by the Board of Directors to allow for email notices and the consent provided by each of the Owners opting-in for email notification shall be effective indefinitely, and shall continue and last as long as, and until the Board of Directors, by Resolution, rescinds the opportunity for email notification.

**Paperless:** Since one of the purposes of the email type of notification is to move towards a paperless system, once an Owner elects to receive notification via email, then the Association will not be required to send any physical, paper notification via U.S. Mail, unless the notification is required by law or these By-Laws to be sent via U.S. Mail. (Unless and until the Owner Opts-out of email notification, as provided herein.) Nothing herein shall obligate or require the Association to send notices via email only, and the Association may send any notice via U.S. Mail notwithstanding that the Unit Owner has opted-in for email notification.

**Errors and Updating Contact Information:** Errors at the receiving end of the email process, such as the Unit Owner's server malfunction, or inadvertent routing into the "spam" folder of the Unit Owner's email account, or other such similar error shall be the responsibility of the Unit Owner. It shall be the responsibility of the Unit Owner to ask for and receive a test email from the Association to determine that no error exists in the email address on file with the

Association. It shall be the responsibility of each Unit Owner to keep the Association informed of both the Unit Owner's current, U.S. postoffice address and current email address by immediately notifying the Secretary of the Association, in writing, of any change of address.

## Article XVI
## Arbitration

Any dispute between Condominium Unit Owners or between Condominium Unit Owners and those persons responsible for the management of Coakley Bay Townhouse Condominium Units, that cannot be resolved between the parties, may be resolved by arbitration. Any arbitration provided for in these By-Laws shall be conducted before one mutually acceptable arbitrator in St. Croix (or otherwise if mutually agreed by the parties) by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Condominium Unit Owners shall be responsible for all of his or her expenses incurred in connection therewith including fifty (50%) percent of the cost and expenses of the arbitrator.

**DULY VOTED UPON and ADOPTED** at the Annual Meeting of Unit Owners on the 29th day of January, 2011.

**COAKLEY BAY ASSOCIATION**

By: _____
RAYMOND C. LOOMIS, JR., President

By: _____
ERIC JOYCE, Secretary

TERRITORY OF THE US VIRGIN ISLANDS }
DISTRICT OF ST. CROIX }

On this 2 day of February, 2011, before me, the undersigned Notary Public, personally appeared **RAYMOND C. LOOMIS, JR.** as President, and **ERIC JOYCE,** as Secretary of the COAKLEY BAY ASSOCIATION, who each proved to me through satisfactory evidence of identification, each was the individual person whose names are signed on the preceding or attached document, and each acknowledged to me that they signed it voluntarily and for the stated purposes and consideration therein contained, and in the capacities stated.

V. Trivino
Notary Public
Printed name: Vanessa Trivino

My commission expires: September 13, 2011

VANESSA TRIVINO
Notary Public
Commission # NP-192-07
U.S. Virgin Islands
My Commission Expires Sep 13, 2011

NOTARY PUBLIC V.I. U.S.A. St. Croix

Doc# 2011000358
Book: 1241
Pages: 248
Filed & Recorded
02/02/2011 9:31AM
ALTHEA PEDRO
RECORDER OF DEEDS
ST CROIX
PER PAGE FEE $ 34.00
ATTACHMT FEE $ 3.50
RECORDING FEE $ 25.00

Althea Pedro
Recorder

RECORDER OF DEEDS Seal ST. CROIX U.S. VIRGIN ISLANDS

**Schedule "A"**

Parcel 2-Baa of Estate Coakley Bay, East End "B" Quarter, St. Croix, U.S. Virgin Islands, consisting of 0.38 U.S. acres, more or less, as shown on Public Works Drawing No. 3333, dated September 13, 1977. (Restaurant area).

Parcel 2-BA of Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, consisting of 0.77 U.S. acres, more or less, as shown on Public Works Drawing No. 3333, dated September 13, 1977. (Administration Building property).

Parcel 2-BAc of Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, consisting of 0.11 U.S. acres, more or less, as shown on Public Works Drawing No. 3333, dated September 13, 1977. (Land north of pool).

Parcel 2-BB of Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, consisting of 3.6604 U.S. acres, more or less, as shown on Public Works Drawing No. 2509, dated December 16, 1968.

Parcel 2-BAb of Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, consisting of 3.08 U.S. acres, more or less, as shown on Public Works Drawing No. 3333, dated September 13, 1977. (Pool area).

Parcel 2-BE of Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, consisting of 0.48 U.S. acres, more or less, as shown on Public Works Drawing No. 3333, dated September 13, 1977. (Tennis court area).

Parcel 2-BF of Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, consisting of 0.25 U.S. acres, more or less, as shown on Public Works Drawing No. 3333, dated September 13, 1977. (Sewage treatment plant).

Parcels Nos. 2BG (0.84 acres, more or less); 2BGa (0.32 acres, more or less) 2BGb (0.81 acres, more or less); and 2BGc (0.92 acres, more or less) Estate Coakley Bay, East End "B" Quarter, St. Croix U.S. Virgin Islands, as shown on Public Works Drawing No. 3333, dated September 13, 1977, and prepared by Caribbean Surveys and filed with the Public Surveyor, St. Croix, Virgin Islands.

**EXHIBIT "B"**

Attached to and made a part of the Amended and Restated By-Laws of Coakley Bay Townhouse Apartments Condominiums, Stage I & Stage II, dated January 29, 2011

The blending of Stage I and State II Declarations regarding percentage of ownership has resulted in the following calculations which have been used for common area assessments since at least the early 1990s.

It is noted that some units which were originally three bedroom units have been remodeled into two bedroom units over the years. This reduction in bedrooms has no bearing on the percentage of ownership. The percentages are based on initial values established in the declarations.

| | |
|---|---|
| 2 Bedroom units in A, B, C, D, E, F, G buildings | .92% |
| 2 Bedroom units in H and J buildings | 1.00% |
| 3 Bedroom units in A, B, C, D, E, F, G buildings | 1.03% |
| 3 Bedroom units in H, J, L, M, N buildings | 1.08% |

AFTER RECORDING, PLEASE RETURN TO:
COAKLEY BAY ASSOCIATION
5000 Estate Coakley Bay
Christiansted, VI 00820




Althea L. Pedro
Recorder

Doc# 2011000358
Book: 1241
Pages: 248
Filed & Recorded
02/02/2011 9:31AM
ALTHEA PEDRO
RECORDER OF DEEDS
ST CROIX
PER PAGE FEE $ 34.00
ATTACHMNT FEE $ 3.50
RECORDING FEE $ 25.00