

BY-LAWS

Of

PINEAPPLE VILLAGE

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BY-LAWS  
OF  
PINEAPPLE VILLAGE

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ARTICLE I

Plan of Apartment Unit Ownership

Section 1. Apartment Unit Ownership. The property described as Parcel 49-1, Estate Frydendal, St. Thomas, U.S. Virgin Islands (hereinafter called the “Property”) has been submitted to the provisions of Chapter 33, Title 28 of the Virgin Islands Code by the Declarations recorded in the office of the Recorder, Charlotte Amalie, St. Thomas, Virgin Islands, simultaneously herewith and shall hereinafter be known as “Pineapple Village” (hereinafter called the “Condominium”).

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term “Property” as used herein shall include the land, the buildings and all other improvements thereon (including the apartment units and the common areas and facilities), owned in fee simple absolute, and all easements, rights, and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Chapter 33, Title 28 of the Virgin Islands Code.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of apartment units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations.

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

Section 4. Office. The office of the Condominium shall be at Parcel 49-1 Estate Frydendal, St. Thomas, U.S. Virgin Islands and the mailing address for the Condominium and the Board of Directors shall be Post Office Box 502067, St. Thomas, U.S. Virgin Islands 00805.

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors. Until apartment units representing twenty-five percent (25%) in common interest shall have been sold by the Sponsor of the Condominium (Pineapple Village Condominium Corporation) and shall have been paid for, and thereafter until their successors shall have been elected by the unit owners, the Board of Directors shall consist of such officers and the members of the Board of Directors of the Sponsor as shall have been designated by the Sponsor. Thereafter the Board of Directors shall be composed of five (5) persons, all of whom shall be owners or spouses of owners or mortgagees of apartment units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of

corporate owners or mortgagees, shall be officers, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the unit owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

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

condemnation or eminent domain proceedings.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to the duties listed in subdivisions ( a ), ( c ), ( d ), ( k ), and ( l ) of Section 2 of this Article II. The Board of Directors may delegate to the manager or managing agent, all of the powers granted to the Board of Directors by these By-Laws

other than the powers set forth in subdivisions ( b ), ( e ), ( f ), ( g ), ( h ), ( i ), and ( j ) of Section 2 of this Article II.

Section 4. Election and Term of Officers. On alternate years at the annual meeting of the unit owners three (3) and then two (2) members will be elected to serve a term of two (2) years on the Board of Directors. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of unit owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors shall be held immediately following the annual meeting of the unit owners, at such time and place as shall be fixed by the unit owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors by mail or facsimile, at least ten (10) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) business days notice to each member of the Board of Directors, given by mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors



shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by member of the Board of Directors at any meeting of the Board shall constitute waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Section 12. Fidelity Bonds. The Board of Directors may obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgement, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any unit owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all unit owners in the common areas and facilities. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Directors or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners) and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all unit owners in the common areas and facilities.

### ARTICLE III

#### Unit Owners

Section 1. Annual Meetings. The annual meeting of the unit owners shall be held on the second Saturday after the first Monday of January of each year. At such meetings, the Board of Directors shall be

elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-Laws. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than twenty-five percent (25%) in common interest, in the aggregate, of unit owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted a special meeting except as stated in the notice. Within thirty (30) days after apartment units representing more than fifty percent (50%) in common interest shall have been sold by the Sponsor and paid for, a special meeting of the unit owners shall be held at which meeting all but one member of the Board of Directors elected by the Sponsor shall resign, and the unit owners, including the Sponsor, shall thereupon elect successor members of the Board of Directors to act in the place and stead of those resigning.

Section 4. Notice of Meetings. It shall be the duty of the secretary to mail a notice of each annual or special meeting of the unit owners at least twenty (20) days but no more than thirty (30) days prior to such meeting. Said notice shall state the purpose thereof as well as the time and place where it is to be held, and shall be sent to each unit owner of record, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Rescheduling Meetings. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may reschedule the meeting to a time determined by the unit owners present.

Section 6. Order of Business. The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).

- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished business.
- (j) New business.

Section 7. Title to Apartment Units. Title to apartment units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 8. Voting. The owner or owners of each apartment unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such apartment unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the unit owners and (those constituting a group acting unanimously), may vote or take any other action as a unit owner either in person or by proxy. Each unit owner (including the Sponsor and the Board of Directors, if the Sponsor shall then own, or the Board of Directors, or its designee, shall then hold title to one (1) or more apartment units) shall be entitled to cast one (1) vote at all meetings of the unit owners but if more than one (1) individual owns a unit, only one (1) vote shall be cast for such unit. A fiduciary shall be the voting member with respect to any apartment unit owned in a fiduciary capacity.

All proxies to be voted shall be originals which were signed by all owners of the unit no more than one (1) year from the date of the meeting, and shall be presented to the secretary prior to the commencement of the meeting. Voting rights shall be suspended for any unit which is in arrears for payment of assessments, maintenance, and/or other charges due the Association which are shown on the Association's books to be delinquent for a period of more than 30 days. In the event of any dispute between a unit owner and the Association concerning the validity of any debt shown on the Association's books, or the delinquency thereof, the Association's books shall prevail for the purposes of determining the suspension of voting rights.

Section 9. Majority of Unit Owners. As used in these By-Laws the term "majority of the unit owners" shall mean those unit owners having more than fifty percent (50%) of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having one-third (1/3) of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 11. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where in the Declaration or these By-Laws or by law, a higher percentage vote is required.

#### ARTICLE IV

## Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Directors.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Corporation Law of the Virgin Islands, including but not limited to the power to appoint committees from among the unit owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. 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 of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the

office of secretary of a stock corporation organized under the Corporation Law of the Virgin Islands.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Corporation Law of the Virgin Islands.

Section 8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contract deeds, leases, checks

and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

## ARTICLE V

### Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Insurance Trustee. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, of any apartment unit whose owner has elected to sell or lease such apartment unit or of any apartment unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors shall advise all unit owners, promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such common charges are based to all unit owners and to their mortgagees.

Section 2. Insurance. The Board of Directors shall be required to obtain and maintain, to the extent obtainable, the following insurance:

1. Fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire buildings (but not including furniture, furnishings or other personal property supplied or installed by unit owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Directors and all unit owners and their mortgagees, as interest may appear, in an amount equal to 80% of the full replacement value of the buildings, without deduction for depreciation; each of said policies may contain a reasonable deductible and reasonable co-insurance provisions, to the extent available, and shall contain a standard mortgage clause in favor of each mortgagee of an apartment unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Directors hereinafter set forth;
2. Workmen's compensation insurance;

3. Water damage insurance; and
4. Such other insurance as the Board of Directors may determine.

All such policies shall provide that adjustment of loss shall be made by the Board of Directors and that the proceeds thereof shall be payable to the Board of Directors.

All policies of property damage insurance shall contain waivers of sub-rogation and shall provide that such policies may not be canceled or substantially modified without at least ten (10) to thirty (30) days written notice to all of the insured, including all mortgagees of apartment units. The Board of Directors shall obtain from time to time an appraisal from a certified appraiser the full replacement value of all the buildings and all common areas and facilities therein, without deduction for depreciation, for the purpose of determining the amount of property insurance to be effected pursuant to this section.

The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, covering each member of the Board of Directors, the managing agent, the manager, the Association and each unit owner. Such public liability coverage shall not cover cross liability claims of one insured against another. The Board of Directors shall review such limits once each year.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of sub-rogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the buildings as a result of fire or other casualty (unless seventy-five percent (75%) or more of the buildings are destroyed or substantially damaged and seventy-five percent (75%) or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Directors shall arrange for the prompt repair or restoration of the buildings and common property (but not including any wall, ceiling, or floor decorations or coverings or other furniture or furnishings, fixtures or equipment installed by unit owners in the apartment units), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair or restoration in appropriate progress payments. Any cost of such repair or restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

If seventy five percent (75%) or more of the buildings are destroyed or substantially damaged and seventy five percent (75%) or more of the unit owners do not duly and promptly resolve to proceed with repair and restoration, the property shall be subject to an action for partition at the suit of any unit owner or lienor, as if owned in common, in which event the net proceeds of the insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Directors among all unit owners in proportion to their

respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his apartment unit, in the order of priority of such liens.

Section 4. Payment of Common Charges. All unit owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Directors shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his apartment unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such apartment unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. In addition, any unit owner may, subject to the terms and conditions specified in these By-Laws; provided that his apartment unit is free and clear of liens and encumbrances other than a permissible first mortgage and the statutory lien for unpaid common charges, convey his apartment unit, together with the "Appurtenant Interests" to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed. A purchaser of an apartment unit shall be liable for the payment of common charges assessed against such apartment unit prior to the acquisition by him of such apartment unit, except that a mortgagee or other purchaser of an apartment unit at a foreclosure sale of such apartment unit shall not be liable for and such apartment unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 5. Collection of Assessments. The Board of Directors shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charges due from any unit owner which remains unpaid for more than thirty (30) days from the date due for payment thereof.

Section 6. Default in Payment of Common Charges. In the event of the default by any unit owner in paying to the Board of Directors the common charges as determined by the Board of Directors for payment of assessments, maintenance, and or other charges due to the Association, such unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof together with reasonable late charges as assessed, and all expenses, including attorney's fees, incurred by the Board of Directors in order to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon and the expenses of the proceedings, including attorneys fees, in an action to recover the same brought against such unit owners, or by foreclosure of the lien on such apartment unit granted by Section 922 of Chapter 33, Title 28, V. I. C. If any default in payment of common charges or any other debt due to the Association shall continue for a period of greater than 30 days the Board of Directors shall be permitted to suspend the right to use any common areas and facilities by all owners of the unit and any tenants, guests, occupants, or other persons claiming any right to use Condominium common areas or facilities by virtue of said unit until the delinquency has been cured.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Directors to foreclose a lien on an apartment unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his apartment unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Directors, acting on behalf of all unit owner shall have power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or to acquire, hold, lease, mortgage,

vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges. The Board of Directors shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violations of any rule or regulation adopted by the Board of Directors or the breach of any of these By-Laws contained herein, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws:

- (a) To enter the apartment unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or
- (b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.
- (c) The Board of Directors shall also have the power to impose reasonable fines which shall constitute a lien upon the unit and to suspend an owner's right, or the right of any tenant, guest, occupant, or any other person claiming any rights by virtue of said unit, to use the common elements and to vote, for violation of any duty imposed under the Declaration, these By-Laws (including any failure to pay common charges within the period of time required at Article V Section 5 hereof) or for violation of any rules and regulations duly adopted hereunder.
- (d) Procedure. The Board shall not impose a fine (other than late charges), suspend voting (except for the failure to pay common charges pursuant to Article III Section 8 hereof), or infringe upon any other rights of a member or other occupant for such violation unless and until the following procedure is followed:
  1. Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator which specifies: (i) the alleged violation; (ii) the action required to abate the violation, and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanctions after a notice and hearing if the violation is continuing at that time.
  2. Notice. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement



without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the date of the notice; (iii) and an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; and (iv) the proposed sanction sanctions to be imposed.

3. Hearing. The hearing shall be held by the Board pursuant to said notice which affords the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate, if a copy of the notice together with the statement of the date and manner of delivery is entered by the officer, director or person who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the hearing. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Section 10. Maintenance and Repair.

- (a) All maintenance of and repairs to any apartment unit, structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any common areas and facilities contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such apartment unit) shall be made by the owner of such apartment unit.

Each unit owner shall be responsible for all damages to any and all other apartment units and/or to the common areas and facilities, that his failure so to do may engender.

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

Section 11. Restriction on Use of Apartment Units. In order to provide for congenial occupancy of the Property and for the protection of the value of the apartment units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- (a) The apartment units shall be used for residential purposes only, including rental of all or part thereof.

- (i) No unit shall be sold as, or subjected to, a time interval ownership or licensed plan of occupancy, commonly known as “time sharing” without the owner obtaining the prior written consent of the Board of Directors and the Amendment of the Associations Declaration and By-Laws in the manner required by those documents; provided, however, that this language is not intended to proscribe the following:
  - (1) Multiple ownership of a unit in undivided tenancies, such as tenancies in common, or tenancies by the entirety;
  - (2) Partnership, trust or corporate undivided interest in a unit;
  - (3) Life estate with remainder to third parties;
  - (4) Leases for determinate periods of time.
- (ii) Exceptions permitting a specific use of a unit for non-residential purposes may be granted by the vote of 66 2/3 % in number and in common interest of all unit owners at a regular or special meeting duly held for such purpose.
- (b) The common areas and facilities shall be used only for the furnishing of the services and facilities for which they are reasonable suited and which are incident to the use and occupancy of apartment units.
- (c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.
- (d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning laws and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violation of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

Section 12. Additions, Alterations or Improvement by Board of Directors. Whenever in the judgment of the Board of Directors the common areas and facilities shall require additions, alterations or improvements costing in excess of Fifty Thousand Dollars (\$50,000.00), and the making of such additions, alterations or improvements shall have been approved by a majority of the unit owners, the Board of Directors shall

proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations or improvements costing Fifty Thousand Dollars (\$50,000.00) or less may be made by the Board of Directors without approval of unit owners and the cost thereof shall constitute part of the common expenses.

Section 13. Additions, Alterations or Improvement by Unit Owners. No unit owner shall make any structural changes, including but not limited to additions, alterations or improvements in or to his apartment unit without the prior written consent thereto of the Board of Directors. The Board of Directors shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's apartment unit, within sixty (60) days after receipt of such request. All exterior alterations or improvements shall conform to the existing architectural standards or such future architectural standards as the Board may establish. If the Board denies a request it shall provide the owner with a written statement concerning the basis for its decision. Any approved application to any department of the Government of the Virgin Islands or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment unit shall be executed by the Board of Directors, if required, without however incurring any liability on the part of the Association, the Board of Directors or any of them to any contractor, subcontractor or supplier of materials on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

Section 14. Use of Common Areas and Facilities.

- (a) A unit owner shall not place nor cause to be placed in the stairways or other common areas or common facilities, other than a terrace to which such unit owner has sole access, and other than the areas designated as storage areas, any furniture, packages or objects of any kind.
- (b) The stairways shall be used for no purpose other than for normal transit through them.

Section 15. Right of Access. A unit owner shall grant a right of access to his apartment unit to the manager and/or the managing agent and/or any other person authorized by the Board of Directors, the manager or the managing agent for the purpose of making inspections or for the purpose of correcting any condition originating in his apartment unit and threatening another apartment unit or a common area or facility, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common areas or facilities in his apartment unit or elsewhere in the Buildings or to correct any condition which violates the provisions of any mortgage covering another apartment unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the apartment units and the common areas and facilities may be promulgated and amended by the Board of Directors with the approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Board of

Directors to each unit owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Directors with the approval of a majority of the unit owners, annexed hereto and made a part hereof as Schedule A.

Section 17. Water Charges, Electric Charges. Water, if supplied, and electricity shall be supplied to the common areas and facilities through one (1) or more building meters and the Board of Directors shall pay, as a common expense, all charges for such water and electricity consumed on the property, excluding the apartment units, together with all related costs for operating the sewage treatment plant and all costs of supplying flushing water to both units and common areas and facilities, promptly after the bills for the same shall have been rendered. Water and electricity consumed in such units shall be separately metered and paid for by the respective owner. In the event of a proposed sale of an apartment unit by the owner thereof, the Board of Directors, on the written request of the selling unit owner shall execute and deliver to the purchaser of such apartment unit a letter which determines the amount of all charges for the water and electricity and sewage treatment plant charges affecting the unit and any other charges which are due as of the date requested by the selling unit owner.

## ARTICLE VI

### Mortgages

Section 1. Notice to Board of Directors. A unit owner who mortgages his apartment unit, shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages of Apartment Units".

Section 2. Notice of Unpaid Common Charges. The Board of Directors, whenever so requested in writing by a mortgagee of an apartment unit, shall promptly report any then unpaid common charges due from, or any other default by, the owner of the mortgaged apartment unit.

Section 3. Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such apartment unit whose name and address has theretofore been furnished to the Board of Directors.

Section 4. Examination of Books. Each unit owner and each mortgagee of an apartment unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

## ARTICLE VII

### Sales and Mortgages of Units

Section 1. No Severance of Ownership. No unit owner shall execute any deed mortgage, or other instrument conveying or mortgaging title to his apartment unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. "Appurtenant Interests" for the purposes of these By-Laws is defined as the following: (a) the undivided interest of a unit

owner in the common areas and facilities appurtenant to such unit, (b) the interest of such unit owner in any unit theretofore acquired by the Board of Directors, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any, and (c) the interest of such unit owner in any other assets of the Condominium. Any such deed, mortgage, or other instrument purporting to effect one (1) or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any apartment unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the apartment unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all apartment units.

Section 2. Sale to Board of Directors. With the prior approval of a majority of the unit owners, the Board of Directors or its designee may in the discretion of the Directors purchase any unit, with its Appurtenant Interests, from an owner, or at a foreclosure or other judicial sale.

Section 3. Financing of Purchase of Apartment Units by Board of Directors. Acquisition of apartment units by the Board of Directors, or its design on behalf of all unit owners, may be made from the working capital and common charges in the hands of the Board of Directors, or if such funds insufficient, the Board of Directors may levy an assessment against each unit owner in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article V, or the Board of Directors, in its discretion, may borrow money to finance the acquisition of such apartment unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the apartment unit, together with the Appurtenant Interests, so to be acquired by the Board of Directors.

Section 4. Gifts and Devises, Etc. Any unit owner shall be free to convey or transfer his apartment unit by gift, or to devise his apartment unit by will, or to pass the same by intestacy, without restriction.

Section 5. Waiver of Right of Partition With Respect To Such Apartment Units As Are Acquired By The Board of Directors, Or Its Designee, On Behalf Of All Unit Owners As Tenants In Common. In the event that an apartment unit shall be acquired by the Board of Directors, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such apartment unit.

Section 6. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his apartment unit unless and until he shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against his apartment unit and until he shall have satisfied all unpaid liens against such apartment unit, except permitted mortgages.

Section 7. Mortgage of Apartment Units. Any mortgages shall be substantially in the form approved by the Board of Directors, except for such changes or additions as may be legally necessary in order to permit the lender to make the mortgage loan, or to the extent permitted in writing by the Board of Directors.

## ARTICLE VIII

### Condemnation

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the common areas and facilities, the award made for such taking shall be payable to the Board of Directors. If seventy five percent (75%) or more of the unit owners duly and promptly approve the repair and restoration of such common areas and facilities, the Board of Directors shall arrange for the repair and restoration of such common areas and facilities, and the Board of Directors shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy five percent (75%) or more of the unit owners do not duly and promptly approve the repair and restoration of such common areas and facilities, the Board of Directors shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

## ARTICLE IX

### Records

Section 1. Records and Audits. The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment unit which, among other things, shall contain the amount of each assessment of common charges against such apartment unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board of Directors to all unit owners at least annually. In addition, an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all unit owners and to all mortgagees of apartment units who have requested the same, promptly at the end of each fiscal year.

## ARTICLE X

### Miscellaneous

Section 1. Notices. All notices hereunder shall be sent or delivered to the Board of Directors c/o the managing agent, or if there is no managing agent, to the office of the Board of Directors or to such other address as the Board of Directors may hereafter designate from time to time, by notice in writing to all unit owners and to all mortgagees of apartment units. All notices to any unit owner shall be sent or delivered to the Building or to such other address as may have been designated by the owner from time to time, in writing, to the Board of Directors. All notices shall be deemed to have been given when mailed or delivered, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforce ability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4.     Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

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

## ARTICLE XI

### Amendments to By-Laws

Section 1.     Amendments to By-Laws. Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of sixty six and two thirds percent (66 2/3%) in number and in common interest of all unit owners at a meeting of unit owners duly held for such purpose.

## ARTICLE XII

### Conflicts

Section 1.     Conflicts. These By-Laws are set forth to comply with the requirements of Section 918 of Chapter 33, Title 28, Virgin Islands Code. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute of the Declaration, as the case may be, shall control.

AMENDMENTS TO BY-LAWS ARTICLE VII

INCORPORATING A RIGHT OF FIRST REFUSAL PREVIOUSLY

APPROVED BY THE MEMBERSHIP

By-Laws Article VII is amended by the addition of the following new Sections 1.1, 8, 9 and 10:

Section 1.1 Sales. No unit owner may sell his apartment unit or any interest therein except by complying with the following provisions:

Any unit owner who receives a bonafide offer, (hereinafter called "outside offer") for the sale of his apartment unit together with:

- (i) The undivided interest in the common areas and facilities appurtenant thereto;
- (ii) The interest of such unit owner in any apartment units theretofore acquired by the Board of Directors, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and
- (iii) The interest of such unit owner in any other assets of the Condominium, (hereinafter collectively called the "Appurtenant Interests"), which he intends to accept, shall give notice to the Board of Directors of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Board of Directors may reasonably require, and shall offer to sell such apartment unit, together with the Appurtenant Interests, to the Board of Directors, or its designee, corporate or otherwise, on behalf of the owners of all other apartment units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the unit owner who has received such offer, to the Board of Directors on behalf of the other unit owners, that such unit owner believes the Outside Offer to be bonafide in all respects. Within thirty (30) days after receipt of such notice, the Board of Directors may elect, by notice to such unit owner, to purchase such apartment unit, together with the appurtenant Interests, (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other unit owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering unit owner. In the event the Board of Directors shall elect to purchase such apartment unit, together with the appurtenant Interests, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium forty five (45) days after the giving of notice by the Board of Directors of its election to accept such offer. At the closing, the unit owner shall convey the same to the Board of Directors, or its designee, on behalf of all other unit owners, by deed in the form required by Section 911 of Chapter 33, Title 28, Virgin Islands Code, with all documentary stamps affixed, and shall pay all taxes arising out of such sale. In the event the Board of Directors or its designee shall fail to accept such offer within thirty (30) days as aforesaid, the offering unit owner shall be free to contract to sell



such apartment unit, together with the Appurtenant Interests, within sixty (60) days after the expiration of the period in which the Board of Directors or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering unit owner to the Board of Directors of such Outside Offer. Any such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. In the event the offering unit owner shall not, within such sixty (60) day period, contract to sell such apartment unit, together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the unit owner shall so contract to sell his apartment unit within such sixty (60) day period, but such sale shall not be consummated pursuant to the terms of such contract, then should such offering unit owner thereafter elect to sell such apartment unit, together with the Appurtenant Interests, to the same or another Outside Offeror on the same or other terms and conditions, the offering unit owner shall be required to again comply with all the terms and provisions of this Section 1.1 of this Article VII.

Any purported sale of an apartment unit in violation of this section shall be voidable at the election of the Board of Directors. The Board of Directors shall not exercise any option herein above set forth to purchase any apartment unit without the prior approval of a majority of the unit owners.

Section 8. Release by Board of Directors of Right of First Refusal. The right of first refusal contained in Section 1.1 of this Article VII may be released or waived by the Board of Directors in which event the apartment unit, together with the Appurtenant Interests may be sold or conveyed, free and clear of the provisions of such section.

Section 9. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the condominium, stating that the provisions of Section 1.1 of this Article VII have been met by a unit owner, or have been duly waived by the Board of Directors, and that the rights of the Board of Directors thereunder have been terminated, shall be conclusive upon the Board of Directors and the unit owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of Section 1.1 of this Article VII or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee, not to exceed Ten Dollars (\$10.00).

Section 10. Exceptions. The provisions of Section 1.1 of this Article VII shall not apply with respect to any sale or conveyance by a unit owner of his apartment unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to the acquisition or sale of an apartment unit, together with the appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosures. However, the provisions of this section shall apply with respect to any purchaser of such apartment unit from such relative or mortgagee.