

COMMONWEALTH OF THE BAHAMAS  
THE COMPANIES ACT, 1992  
COMPANY LIMITED BY SHARES

ADOPTION OF REVISED

ARTICLES OF ASSOCIATION

SANDYPORT HOMEOWNERS ASSOCIATION LIMITED

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EXPLANATORY

1. In these presents unless there be something in the subject or context inconsistent therewith:-

- “The Association” means Sandyport Homeowners Association Limited.
- “The Office” means the registered office for the time being of the Association.
- “The Register” means the register of members to be kept pursuant to Section 56 of The Companies Act 1992.
- “The Seal” means the common seal of the Association.
- “In Writing and Written” means and include words printed lithographed represented or reproduced in any mode in a visible form.
- “The Founder” means Sandy Port Development Company Limited a company incorporated under the laws of the Commonwealth of The Bahamas and carrying on business as the developer of Sandyport and having its registered office at St. Andrew’s Court Frederick Street Steps P. O. Box N-4805 Nassau, Bahamas.
- “The Directors” means the Directors for the time being of the Association.
- “Sandyport Development” means property situate in the Western District of the Island of New Providence situate in the Bahamas and of which the Sandyport Gated Area forms part.
- “Sandyport Gated Area” means those gated residential lots forming several subdivisions and townhouse developments as described in the Conveyance

dated 25<sup>th</sup> March 2008 and now or about to be filed in the Registry of Records in the City of Nassau in the Island of New Providence one of the islands in the said Commonwealth of the Bahamas together with the Common Areas conveyed by that same Conveyance by the Founder to the Association.

“Common Areas”

means land at Sandyport conveyed to and vested in the Association by the Founder by way of Conveyance dated 25<sup>th</sup> March 2008 as herein above referred to such Common Areas consist of roadways common parking areas paths waterways swimming pools tennis courts security guard houses walls garbage collection points canals sewerage plant pipes lift stations water pipes electricity telephone and cable television conduits wires meters switches lights and other apparatus plant and all equipment pertaining thereto and are referred to in the Founding Agreements of each Property as either the Common Areas or the amenity areas.

“Property”

means individually each and every lot townhouse house apartment or condominium unit constructed and laid out in the Sandyport Gated Area.

“Owners”

means any person who from time to time shall own a property by reason of the Founding Agreements to him by the Founder or by reason of his title deriving from such Founding Agreements but excluding those having such title merely as security for the performance of an obligation.

“Founding Agreements”

means that conveyance and license from the Founder to the first purchaser of a Property and assumed by second or subsequent purchasers from the original purchaser as therein provided

“Resolution of Directors”  
and “Resolution of members”

having the meanings assigned thereto respectively by The Companies Act 1992.

Words

importing the singular number only include the plural number and vice versa; the masculine gender includes the feminine gender; persons includes corporations.

2. In addition to the office of the Association at Sandyport, New Providence in the Commonwealth of The Bahamas The Association may have one or more offices for the transaction of business at any other place or places in the Island of New Providence within the said Commonwealth.

3. The business of the Association having already commenced shall continue notwithstanding that part only of the shares may have been allotted.

#### **INTERIM PERIOD**

4. To effect the transfer of control of the Association from the Founder to the Owners the following action shall take place within sixty (60) days of the adoption of these revised Articles:-
  - (a) Until such time as the Interim Board shall have been constituted the management of the Association and all the powers of the Directors shall be vested in the Founder.
  - (b) Seven (7) new Directors shall be appointed by the Founder acting in good faith and in the interest of the Association and drawn from Owners which seven Directors shall have all the powers of Directors as set out herein. All existing Directors representing the Founder shall then resign.
  - (c) All involvement by the Founder in the management of the Association shall cease forthwith, all directors representing the Founder shall resign and there shall be no monetary call upon the Founder to the intent that the Association is to be self financing. All shares held by nominees representing the Founder shall return their shares for cancellation.
  - (d) The seven (7) Directors shall be appointed for one (1) year during which time they will meet conduct the affairs of the Association organize the issue of the share certificates to each Owner appoint the Nominations Committee as set out herein and arrange the Annual General Meeting set out below.
  - (e) The Directors shall inform all members in good standing of the date of an Annual General Meeting shall propose the names of the Directors to be elected which may be themselves canvas the membership for other names and hold such Annual General meeting within the said one (1) year following which the Association shall continue to operate as set out herein with all Directors being elected.
  - (f) In the Interim Period these Articles shall be followed in all respects save the Directors have been appointed.

#### **MEMBERSHIP AND SHARES**

5. The first member of the Association has been the Founder represented by the subscribers to the Memorandum and Articles of Association. Henceforth all members shall be Owners and shall not take less than one share and not more than one share for each Property owned by them.

6. All members of the Association and their personal representatives and assigns shall be bound by the Articles of Association and the Bye-Laws made pursuant hereto as the same may from time to time be in effect and all members shall have signed a license issued by the Founder or subsequently by the Association.
7. The Common Areas shall be in the possession of and for the sole use and enjoyment of the members of the Association from time to time their families, licensees and guests only the Common Areas shall also comprise the easements and rights of way through over or under the members Properties as reserved in the Founding Agreements.
8. Every Owner (not being a minor) of a Property shall be entitled and obliged to be registered as the holder of one share in the Association in respect of each Property owned by him. When more than one person holds an ownership interest in any property, all co-owners shall be members. The Vote for such property shall be exercised as the co-owners among themselves determine but in no event shall more than one vote be cast with respect to the Property. Each such co-owners shall sign a license to use the Common Areas and services.
9. Each Owner's membership shall remain in good standing unless the member is in default of his obligations as set out in the Founding Agreements or Bye-Laws.
10. Those matters set out in the Founding Agreements in reference to the Maintenance Charge Indenture Charge License Charge Common Areas and the Schedule of Restrictive Covenants of each Indenture of Conveyance shall form part of these Articles of Association and are annexed hereto in Appendix A. A member shall not be in good standing if he is in default of his obligations under the Founding Agreements or the Bye-Laws. A member who is not in good standing may not vote and will forfeit any and all rights and may have action taken against him in the Courts under the terms of the Founding Agreements.
11. All Owners shall be members of the Association and his name and address will be recorded in the Association's Register of members. Membership shall be appurtenant to the property and may not be separated from the ownership of any property.
12. Any member may at any time sell his Property to a third party upon the said transfer of ownership the said third party shall become a member of the Association. In the event of a member dying his personal representatives may sell his Property to a third party or transfer it to a devisee and such third party or devisee shall become a member of the Association.
13. Upon the execution of any contract for the sale or transfer of any property by an Owner or upon any order of any Court of competent jurisdiction affecting the title of any property the Owner or his attorney shall notify the Association in writing of such intended transfer.

14. Save as herein otherwise provided the Association shall be entitled to treat the registered holder of any share(s) as the absolute Owner thereof and accordingly shall not except as ordered by a court of competent jurisdiction or as by an Act required be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.
15. The Association may exercise any power conferred by law to dispense with distinguishing or denoting numbers for shares.

### **CERTIFICATES**

16. The Certificates of title to shares shall be issued under the seal of the Association and shall be signed by the President or the Vice-President or a Director and shall be countersigned by any other Director Secretary or an Assistant Secretary or some other person appointed by the Directors.
17. Every member shall be entitled to one certificate for each share registered in his name and when more than one person holds ownership to a property all co-owners shall be members and shall be entitled to one certificate for each share registered in their joint names. Every certificate of a share shall specify the share in respect of which it is issued and the denoting numbers thereof if any and the amount paid thereon.
18. If any certificate be worn out or defaced; then upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

### **TRANSFER AND TRANSMISSION**

19. No transfer of a share shall be permitted except to a person who has become an Owner of the Property in respect of which the share is issued and the Directors shall be entitled to require satisfactory evidence that any such transfer accords with the foregoing. Any transfer of a share otherwise than in accordance with the foregoing shall not be permitted and shall be an invalid transfer. The parties to the transfer shall give notice thereof to the Association with a copy of the applicable transfer deed and upon the delivery up to the Association of the transferor's share certificate for cancellation and a fee of \$35.00 or such other sum as the Association may from time to time determine payable to the Association by the transferee the Association shall immediately enter the name and address of the transferee in its register of members and issue to the transferee a new certificate in respect of the share held by the transferor.
20. The instrument of transfer of any share shall be signed by both the transferor and the

transferee provided that the Directors may in any instance or generally waive the requirement that the transferee shall be required to sign such transfer and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Any transfer shall not be deemed to constitute a waiver by the Association of any sum or sums due to the Association from that Property.

21. Shares in the Association may be transferred in any form which the Directors may think fit to register.
22. The personal representatives of a deceased registered member (not being one of several joint holders) shall be the only persons recognized by the Association as having any title to the shares registered in the name of such member. Upon the death of a member being the holder of a share issued in the joint names of registered members, in the case of a property held as joint tenants the surviving members shall be the only persons recognized by the Association as having any title to or interest in such shares; and in the case of a property held as tenants-in-common the surviving members and the personal representative of the deceased member shall be recognized by the Association as having any title or interest in such shares.
23. Any person becoming entitled to a share in consequence of the death or bankruptcy of a registered member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors think sufficient may subject to the foregoing be registered as a member in respect of the share or may subject to the regulations as to transfers hereinbefore contained transfer such share. The Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### **ANNUAL GENERAL MEETINGS**

24. Annual General Meeting of the Association may be held only on the Island of New Providence within the Commonwealth of The Bahamas.
25. The first Annual General Meeting following the transfer of control and being the end of the Interim Period as defined above shall be held within one (1) year of the appointment of the interim Directors by the Founder. At the first Annual General Meeting, the Members shall elect Four (4) directors for a term of one (1) year and Three (3) directors for a term of two (2) years, and at each Annual Meeting thereafter, the Members shall elect for a term of two (2) years the number of directors whose terms are expiring. The directors appointed by the Founder shall serve until the First Annual General Meeting.
26. The Annual General Meeting shall be held once at least in every calendar year at such time not being more than fifteen months after the holding of the last preceding Annual General Meeting and at Sandyport or at such other place within the Island of

New Providence as may be determined by the Directors. At each Annual General Meeting the annual report of the Directors and Auditors shall be presented consideration shall be given to the accounts and balance sheet, and such other business as determined by the Board of Directors and election of the Directors for the ensuing year. All other business shall be conducted at an Extraordinary General Meeting.

27. Thirty (30) days notice specifying the place day and hour of the Annual General Meeting shall be given in manner hereinafter mentioned to the members entitled thereto or in such other manner as may be prescribed by the Association in general meeting but the non-receipt of such notice by any member shall not invalidate the proceedings at any such meeting.
28. When all members in person or by proxy sign the minutes of an Annual General Meeting the same shall be deemed to have been duly held notwithstanding that the members have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing in one or more parts signed by all the members shall be as valid and effectual as if it had been passed at a meeting of the members duly called and constituted.

#### **EXTRAORDINARY GENERAL MEETINGS**

29. The Directors may whenever they think fit convene an Extraordinary General Meeting (as defined in the Companies Act 1992) and they shall on the requisition of members of the Association holding at the date of such requisition not less than one-tenth of the paid up capital of the Association carrying the right to vote at general meetings and being not less than six (6) Owners proceed within fourteen (14) days to convene a general meeting failing which the requisitionists may themselves convene a meeting.
30. Any requisition made by the members of the Association shall be in writing signed by the members and express the object of the meeting proposed to be called and shall be left with the Secretary of the Association.
31. Thirty (30) days notice specifying the place day and hour of the meeting and specifying the business to be conducted shall be given in manner hereinafter mentioned to the members entitled thereto or in such other manner as may be prescribed by the Association in general meeting but the non-receipt of such notice by any such member shall not invalidate the proceedings at any such meeting.
32. When all members in person or by proxy sign the minutes of an Extraordinary General Meeting the same shall be deemed to have been duly held notwithstanding that the members have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing in one or more parts signed by all the members shall be as valid and effectual as if it had been passed at a meeting of the members duly called and constituted.

## PROCEEDINGS AT GENERAL MEETINGS

33. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business except to take measures to obtain a quorum.
34. At all general meetings of the Association the quorum shall be six (6) members present in person or by proxy together holding not less than Five percent (5%) of all votes.
35. The Chairman of the Board of Directors shall preside as chairman at every general meeting of the Association, and in his absence a chairman appointed by a majority of those Directors present at the meeting shall preside. Each member shall be entitled to one vote for each Property held by them in the case of joint holders the member designated in accordance with Article 43 to cast their vote. Members will be entitled to appoint proxies to vote in their stead and such proxies need not be members of the Association. At all meetings in the case of an equality of votes the Chairman shall have the casting vote.
36. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise in accordance with Article 43. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
37. Every question submitted to a meeting, save the election of directors, shall be decided in the first instance by a show of hands unless a poll is demanded by the Chairman or by members present in person or by proxy and in the case of an equality of votes the Chairman shall both on show of hands and on a poll have a casting vote in addition to the vote or votes he may be entitled as a member.
38. If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.
39. Any resolution to be proposed otherwise than by the Directors at any general meeting of the Association shall be submitted in writing to the Directors not less than Fourteen (14) days before the date of the meeting and shall be signed by the proposer and two seconders being members of the Association in good standing and no resolution made by any member other than a Director shall be entertained by a general meeting unless notice thereof has been given as aforesaid.
40. Any resolution involving a change in these Articles shall require an affirmative vote



in favor of the resolution of at least sixty five percent (65%) of the members provided always that these Articles shall not be amended or modified to divest the Founder of its rights or otherwise to adversely affect the Founder such rights being set out in the aforesaid Conveyance of the Sandypport Gated Area dated 25<sup>th</sup> March 2008.

41. The Chairman may with the consent of the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.
42. A declaration in good faith by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the books of proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

#### **VOTES OF MEMBERS**

43. Subject to any rights or restrictions for the time being attached to any shares on a show of hands every member present in person or by proxy shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share held by him. When more than one member is registered as the joint holder of a share the vote shall be exercised as the co-owners among themselves determine, but in no event shall more than one vote be cast with respect to the property owned by them. The co-owners shall furnish the Association in writing, signed by all the co-Owners naming the member authorized by them to cast the vote of such property. Such designation of voting member shall continue in effect until a new designation is furnished aforesaid to the Association. No member who shall be held in default in the making of any payments due to be made by him to the Association pursuant hereto shall be entitled to receive notice of or attend or vote at any general or extraordinary meeting of the Association.
44. Votes may be given either personally or by proxy.
45. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney and shall be in the form which the Directors think fit to approve. Any person appointed a proxy need not be a member of the Association.
46. The instrument appointing a proxy shall be deposited with the Secretary fourteen (14) days before the meeting for which it is to be used and may be permanent or ad hoc. If a proxy is permanent it must be recorded with the Secretary.
47. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death revocation or transfer shall have been received before the

meeting.

## DIRECTORS

48. There shall be Seven (7) Directors in number elected by the members and each must be an Owner and member of the Association in good standing.
49. The Directors shall elect one of their number to be Chairman of the Board of Directors.
50. The office of a Director shall ipso facto be vacated:-
  - (a) if he becomes bankrupt or suspends payment or compounds with his creditors;
  - (b) if he is found lunatic or becomes of unsound mind;
  - (c) if by notice in writing to the Association he resigns his office;
  - (d) if he shall be absent from three (3) consecutive regular meetings of the Board of Directors;
  - (e) if by resolution passed at a general meeting of the Association by members holding or representing more than one-half in value of the subscribed and issued shares of the Association;
  - (f) if he is requested in writing to vacate his office by members holding or representing more than one-half in value of the subscribed and issued shares of the Association.

But the continuing Directors or sole remaining Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Association but no for other purposes.

51. The Directors shall meet as often as necessary and at least once every three months.. All meetings shall be held at Sandypoint or at such other place within the Island of New Providence as may be determined by the Directors. Any three (3) members of the Directors, may call a Board meeting by notice in writing to all the other Board members giving at least seven (7) days prior notice of the proposed meeting. The President or in his absence the Vice-President shall be Chairman. If such Chairman shall be absent from any meeting a Chairman for the purposes of such meeting will be elected by a majority of those members of the Directors present at the meeting in question. Decisions by the Directors shall be on the basis of a majority of those present and in the event of any equality of votes at Board meetings the Chairman

shall have the casting vote. Three (3) members of the Directors shall form a quorum. Proper minutes of the proceedings at Board meetings will be taken.

52. Directors shall be elected only at an Annual General Meeting of the Association save as hereinbefore provided. Nominations in writing shall be received at least Fourteen (14) days prior to the Annual General Meeting and must be seconded in writing. Those nominated must indicate in writing their agreement to stand.
53. The Directors shall have power to do all things that may be necessary for the carrying out of the objects of the Association and for its general management.
54. All acts done at any meeting of the Directors or of a committee or by any person acting as a Director or committee member shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in offices of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been entitled to be a Director or committee member.
55. When all the Directors (in person or by their alternate) sign the minutes of a meeting of the Directors the same shall be deemed to have been duly held notwithstanding that the Directors have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing in one or more parts signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
56. The Directors may with the approval of not less than the number of Directors as may from time to time constitute a quorum delegate any of their powers to committees consisting of such member or members of their body as they think fit or to committees not being committees of members of their body and they may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part and either as to persons or purposes; but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors.
57. Each such committee may elect a Chairman of its meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same the members present may choose someone of their number to be Chairman of the meeting.

#### **ALTERNATE DIRECTORS**

58. Any Director may at any time appoint any other Owner not being a Director and approved by the Directors to be an alternate Director of the Association and may at any time remove any alternate Director so appointed by him. An alternate Director so appointed shall not be entitled to receive any remuneration from the Association but

shall otherwise be subject to the provisions of these presents with regard to Directors. An alternate Director shall be entitled to receive notices of all meeting of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally shall be entitled to perform all the functions of his appointor as a Director in the absence of such appointor. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointor ceases for any reason to be a Director provided that if any Director retires but is re-elected by the meeting at which such retirement took place effect any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. All appointments and removals of alternate Directors shall be effected in writing under the hand of the Director making or revoking such appointment left at the Office.

### **POWERS OF DIRECTORS**

59. The management of the business of the Association shall be vested in the Directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Association and are not hereby or by any Act expressly directed or required to be exercised or done by the Association in general meeting but subject nevertheless to the provisions of any Act and of these presents and to any regulations from time to time made by the Association in a general meeting provided that no regulations so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The Directors shall have the following specific powers:
- (a) At any time appoint a member of the Association to fill any casual vacancy amongst the elected members of the Directors occurring through death illness resignation or otherwise. All such persons so appointed shall hold office only until the next following Annual General Meeting but shall then be eligible for re-election.
  - (b) To make amend and remake by-laws at any time for the proper regulation of the Association and the Common Areas and such by-laws for the time being in effect shall be binding on all members of the Association and in the event of any apparent conflict the terms of these Articles shall prevail.
  - (c) To fix, levy, collect and enforce payment by any lawful means of all charges or assessments affecting the Common Areas including but not limited to registering a lien against the property registered to the member or members in the case of co-owners; to pay all office and other expenses incident to the conduct of the business of the Association and all licenses, franchise taxes, and governmental charges levied or imposed against the property of the Association;

- (d) At any time subject to proper notice to the member and after allowing the member an opportunity to be heard to cancel or suspend the membership of any member who in the opinion of the Directors shall have committed a breach of the rules of membership or whose conduct in the opinion of the Directors shall be unbecoming to a member of the Association. The decision of the Directors shall be final. The Common Areas rights privileges and services incident to ownership at Sandypoint Gated Area are available only while such Owner shall be an Association member.
- (e) To enter into all contracts and agreements and employ such staff deemed necessary or advisable in connection with the affairs of the Association and to apply the funds of the Association in payment of the expenses of management administration and running of the Association as detailed herein. The Directors shall act in every manner possible towards attaining proper and cost effective methods of carrying out its undertakings in respect to such matters and shall endeavor to obtain the best available service contractors and staff for the work to be done and in all matters to act in good faith to minimize expenses which comprise the Maintenance Charge.
- (f) To employ and pay as a common expense accountants bookkeepers managers attorneys or other agents to manage or transact any business or to do any act required to be transacted or done by the Association under these presents (including the receipt and payment of money and keeping of books of account with regard to the maintenance of the Common Areas and services and the preparation from time to time of the accounts relating thereto)
- (g) To appoint a qualified Accountant as Auditor to audit the accounts of the Association annually and to appoint Attorneys and other professional advisors.

#### **DIRECTOR OR OFFICER CONTRACTING WITH ASSOCIATION**

- 60. No Director or Officer shall be disqualified by his office from contracting and/or dealing with the Association whether as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Association in which any Director or Officer shall be in any way interested be voided nor shall any Director or Officer contracting or being so interested be liable to account to the Association for any profit realized by any such contract or arrangement by reason of such Director or Officer holding that office or the fiduciary relation thereby established but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on if his interest then exists or in any other case at the first meeting of the Directors after the acquisition of his interest and having disclosed his interest as aforesaid such Director shall be entitled to vote as a Director and be counted towards

the quorum in respect of any contract or arrangement in which he is so interested as aforesaid.

### **REMUNERATION OF DIRECTORS**

61. Directors shall not be entitled to remuneration for their services but shall be indemnified by the Association for any expenses they may incur in the exercise or carrying out of their duties in the ordinary course limited to expenses within the Bahamas.

### **NOMINATIONS COMMITTEE**

62. The Directors shall establish a Nominations Committee which may be themselves to be responsible for recommending to the Directors the nomination of members in good standing suitable for election to the Directors. The Directors have the right to amend such list and shall then circulate the list to the members thirty (30) days before the annual general meeting and request further nominations from the members at large to be submitted as above fourteen (14) days prior to the meeting.

### **ARCHITECTURAL COMMITTEE**

63. The Directors shall ensure that the Architectural Committee remains constituted as a Committee of the Association and such Committee shall be empowered with the rights and shall undertake the responsibilities of the Founder in accordance with the Restrictive Covenants contained in the Founding Agreements.

### **ANNUAL ASSESSMENTS**

64. The members shall pay to the Association during the term of the license a Maintenance Charge being the aggregate sums actually expended or properly budgeted or reserved by the Directors in their discretion but at all times acting reasonably in the management maintenance and improvement of the Common Areas and every part thereof for the general enjoyment benefit and convenience of the Owners and occupiers from time to time of the Properties.
65. The Maintenance Charge shall be paid without any deductions and comprise two (2) parts:-
  - (a) Firstly the annual "Indenture Charge" which is subject to upwards revision every five (5) years and adjusted to reflect any increase in the cost of living as published by the Bureau of Labour Statistics of the United States Department of Labour to be paid on the first day of January every year by the member to the Association under the provisions of the Founding Agreements.
  - (b) Secondly a License Charge which shall be the balance after deducting the said Indenture Charge from the Maintenance Charge.

66. The percentage of the Maintenance Charge payable by the member shall be the same percentage as the net square footage of the dwelling upon the Property bears to the aggregate square footage of all completed dwelling houses from time to time situate in the Sandyport Gated Area all to be calculated as set out in the Founding Agreements. However there is a minimum of Indenture Charge as set out in the Founding Agreements and subject to upward revision as set out therein.
- (a) From time to time or monthly during each year of the said term the Association may serve one or more written notices on the members of the amount or amounts or additional amount or additional amounts of the Maintenance Charge which the Association bona fide estimates to be due from the members with respect to that year of the said terms and thereupon the members shall forthwith pay to the Association the amount so mentioned in any such notice.
  - (b) In the event that the member shall be required to pay any amount which exceeds the amount they would ordinarily have been required to pay by way of Maintenance Charge resulting from the Owner of a Property failing to pay his Maintenance Charge then in such event the Association shall use its best endeavors to collect such Maintenance Charge in arrears and upon collection of same repay to the members the amount by which each member Maintenance Charge was increased.
67. Without prejudice to the generality of the foregoing the Association shall carry out the following Common Area functions: -
- (a) Maintenance repair decoration (where appropriate) cleaning and when necessary renewal of the structure exterior and interior of the Common Areas and maintenance and repair of all Common Area services including electricity telephone water sewerage street and harbor lighting roadways bulk heading harbour entrance canal internal beaches Common Areas and facilities which are available to the Association.
  - (b) Maintenance repair and when necessary replacement of all furniture furnishings fittings and fixtures in or about or pertaining to the Common Areas.
  - (c) Insurance of the Association's property of whatsoever nature and insurance against injury as determined by the Directors and any other insurance which the Directors shall consider necessary and appropriate or is set out in the Founding Agreements.
  - (d) All outgoings incurred in respect of the Association's property including utilities real property taxes rates taxes and other charges or impositions whether of an annual or recurring nature or otherwise.

- (e) The routine maintenance cleaning and tidying of the Common Areas.
  - (f) All works and acts which are required to be done to the Common Areas to comply with any statutory provisions or the directions or notices of any Governmental local or public authority.
  - (g) Any management charges or any other charges whatsoever which may be incurred in the management of the Association's property and the running of the Association's affairs.
  - (h) The establishment and maintenance of a sinking fund for the replacement of capital items of the Association's property.
  - (i) Security and security guards. In order that there can be one Sandport security service the Association shall also provide security guards for other areas of the Founder's property in the Sandport Development. The Founder shall inform the Association with thirty (30) days notice of the number of security guards required at what positions and what times of day and the Association shall provide the same and charge the Founder monthly the direct wages and actual costs of the same being uniforms national insurance and wages plus ten percent (10%). Reasonable efforts shall also be made to integrate security systems including CCTV with those of the Founder.
  - (j) Landscaping of the Common Areas and of the Properties.
  - (k) The metering of the usage of water provided to the Association in bulk by the Water and Sewerage Corporation of the Bahamas and used by each Property and the charging for the same.
  - (l) Painting of the exterior of the Properties but not other private maintenance.
  - (m) The collection and disposal of garbage from the Properties.
  - (n) Special assessments levied upon all the members to meet extraordinary costs of the Association.
68. Capital expenditures for new or extended facilities as part of the Common Areas shall not be reserved or undertaken by the Association without prior notification and with reasonable details provided to all members and the agreement in writing of at least sixty-five percent (65%) by vote of the Members who are in good standing.
69. The Directors shall have an absolute discretion in deciding what moneys would be spent for any of the foregoing purposes and when the same shall be spent.
70. Each member shall be subject to the following obligations (and to the intent that such



obligations shall continue to bind his estate after his death until such time as his Property shall be transferred to a new or other member of the Association and notwithstanding that his personal representatives may not themselves be members)

- (a) To observe the by-laws governing the use of the Common Areas including the waterways and canals as such by-laws may be made and amended from time to time by the Association.
- (b) The Common Areas will not be used for any trade occupation business or commerce and there is a strict prohibition on the doing of anything which may in any way constitute or be a nuisance to any other members of the Association or any other person including against the noisy playing of radios tape recorders or other instruments or engines or the like in such a way as to constitute a nuisance to neighboring members. The Common Areas (including for the sake of clarity Common Area waters) shall be used as amenity ground only.
- (c) To keep and maintain the Common Areas premises (both structure and contents) in good clean state and condition the member being personally liable for the cost of repairing renovating re-instating and/or making good any damage deterioration dilapidation or theft over and above fair wear and tear which may have taken place during his period of use as to which the Directors shall be the sole judge.
- (d) In the event of any repair or maintenance work requiring to be carried out to the Common Areas or their contents during the period of a member's use to allow access to the necessary tradesmen and others to enable such work to be carried out.
- (e) Not to do anything that would make void or voidable the insurance of the said Common Areas or the Association's property of whatsoever nature or any part thereof. In the event of the member so doing and any insurance moneys not being recoverable as a result the member shall be personally liable for the amount so irrecoverable.
- (f) Not in any way to make alterations to the Common Areas or the contents thereof.
- (g) To pay on demand any charge falling due under paragraphs (c) and/or (e) and/or (f) of this Article including attorney's costs and disbursements and other costs and expenses incurred in connection with the Association's claims against the member.
- (h) To notify the Directors forthwith of any change in his permanent address.
- (i) In the event of his transferring his Property upon a sale thereof immediately to

notify the same in writing to the Directors together with a notification of the name and address of the person to whom he has transferred his Property. However the member selling his Property remains liable until the new Owner has signed the license or lease and accepted the responsibility of membership including the payment of any unpaid sums due to the Association owed by the previous Owner.

71. In the event of any of the said sums not being paid by the due date the member shall be liable to pay a late charge and such interest as may for the time being be specified in the by-laws plus all costs of collection of the same. The Directors shall be entitled to refuse the member in question (or any tenant of license of the member) the right to occupy any common area or use of any common facility or service until all arrears have been settled. Further if any member shall in any calendar year be in arrears with the payment of such sums (or part thereof) as aforesaid the Directors shall be entitled in the next following calendar year to suspend his right of use of the Common Areas common facilities and services until such member pays in full all his arrears plus such late charges interest and costs. Before exercising such right as aforesaid the Directors shall give not less than Forty-five (45) days written notice to such member warning him that unless his arrears are paid in full within the time aforesaid the Directors may exercise their powers hereunder and inviting him to a hearing of the Directors which shall be granted if requested by the member.

#### **ENFORCEMENT AGAINST MEMBERS**

72. (a) All Owners have signed or assumed the Founding Agreements which provide that each Owner shall pay all assessments levied by the Association and accordingly every such Owner is liable inter alia to pay assessments and all such rights and rights of enforcement thereof have been assigned to the Association by the Founder including by way of example only rights to interest rents profits entry to hold the Property for sale and determination of the license.
- (b) Subject to and with the benefit of the laws of the Commonwealth as the same shall be constituted from time to time (and without limitation to any rights or powers to which the Association may be entitled in other manner) the Association shall be entitled to exercise against any Owner by reason of such membership any and all rights and powers reserved to the Association or in the Founding Agreements including but without limitation such rights or powers as relate to the publication of delinquency as to any sum due the enforcement of any regulations made by the Association the bringing of any action or claim in any Court of a competent jurisdiction whether or not relating to the recovery of any Assessment fines interest or costs or other moneys the exercising of any right of entry or re-entry or any right of charge or lien or right of restriction of user of as to the exercise of any easement.

#### **POWERS OF ATTORNEY**

73. (a) The Directors may at any time and from time to time by power of attorney under the seal appoint any person or persons to be the attorney or attorneys of the Association for such purpose and with such powers authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment may (if the Directors think fit) be made in favor of any company or of the members directors nominees or managers of any company or firm or otherwise in favor of any fluctuating body of persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors think fit.
- (b) Any such attorneys as aforesaid may be authorized by the Directors to sub-delegate all or any of the powers authorities and discretion for the time being vested in them.

#### **OFFICERS**

74. The officers of this Association shall be a President and Vice President, who shall, at all times, be members of the Board of Directors; a Secretary, an assistant Secretary (if required), a Treasurer, and such other officers as the Board may from time to time by resolution create who need not be members of the Association and such other officers shall perform such duties as may be prescribed by the Directors and shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit. They shall hold office until their successors are appointed. But any officer may be removed by the Directors. If any office becomes vacant during the year the Directors may fill the same for the unexpired term.
75. Any person may hold more than one (1) of these offices save and except for the President and Vice-President.

#### **TREASURER**

76. The Treasurer shall perform such duties as may be prescribed by these Articles the Association in general meeting or the Directors and if and when directed so to do by the Association or the Directors shall keep full and accurate accounts of the receipts and disbursements of the Association in books belonging to the Association and shall render to the Directors at regular meetings of the Directors or whenever they may require it a statement of the financial condition of the Association.

#### **ASSISTANT TREASURERS**

77. Anyone of the Assistant Treasurers in the absence or disability of the Treasurer may perform the duties and exercise the powers of the Treasurer and each Assistant

Treasurer shall perform such other duties as may be prescribed by these presents the Association in general meeting or the Directors.

#### **SECRETARY**

78. The Secretary shall attend and keep the minutes of the meetings of the members and of the Directors. He shall also summon meetings and keep such other books and records of the Association and the Directors as may be required by the Association in general meeting or the Directors and perform such other duties as may be prescribed by these presents the Association in general meeting or the Directors.

#### **ASSISTANT SECRETARIES**

79. Anyone of the Assistant Secretaries in the absence or disability of the Secretary may perform the duties and exercise the powers of the Secretary and each Assistant Secretary shall perform such other duties as may be prescribed by these presents the Association in general meeting or the Directors.

#### **SEAL**

80. The Directors shall provide for the safe custody of the seal and the seal shall never be used except by the authority of a resolution of the Directors or a committee of the Directors authorized in that behalf or a general meeting.

#### **AUTHENTICATION OF DEEDS AND DOCUMENTS**

81. All deeds executed on behalf of the Association may be in such form and contain such powers provisos conditions covenants clauses and agreements as the Directors or the Association in general meeting shall think fit and in addition to being sealed with the seal shall be signed by the Chairman of the Board of Directors or such other person as the Directors or the Association in general meeting shall from time to time appoint and countersigned by the Secretary or an Assistant Secretary or such other person as the Directors or the Association in general meeting shall from time to time appoint.

#### **RESERVES**

82. The Directors may set aside out of the net income of the Association such sums as they think proper as a reserve fund to meet contingencies or for repairing improving and maintaining any of the property of the Association and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Association and may invest the several sums so set aside upon such investments as they may think fit and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Association and may divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part thereof in the business of the Association and without being bound to keep

the same separate from other assets.

## ACCOUNTS

83. The Association shall not make a profit or a loss on an annual basis (after the provision of proper reserves as needed) and shall not:
- (a) borrow nor encumber its assets including the Common Areas without an affirmative vote in favor of the resolution of at least sixty five percent (65%) of the members;
  - (b) purchase lease or otherwise acquire additional real estate;
  - (c) sell lease grant easements over or otherwise dispose of or deal with the said Common Areas or any rights over the same except as aforesaid.
84. The financial year of the Association shall end on the 31<sup>st</sup> day of December in each year. It shall be the responsibility of the Directors to ensure that correct accounts and books are kept showing the financial affairs and transactions of the Association an audited statement of the accounts and balance sheet of the Association together with a report by the Auditor shall be submitted to each Annual General Meeting.
85. The Directors shall make all necessary arrangements for an annual audit of the books and accounts of the Association.
86. The Directors shall cause proper books of account to be kept with respect to:
- (a) all sums of money received and expended by the Association and the matters in respect of which such receipts and expenditure take place
  - (b) all sales and purchases of assets by the Association; and
  - (c) the assets and liabilities of the Association.
87. The books of account shall be kept at one of the offices of the Association and subject to any reasonable restrictions as to the time and manner of inspecting the same as may be imposed by the Directors shall be open to the inspection of the members in good standing during hours of business.

## NOTICES

88. A notice may be served by the Association upon any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his last known address. Any notice is to be given to any members constituted by more than one person shall be given to that person whose name stands first in the Register and notice so given shall be sufficient notice to all such joint registered persons

constituting the member. Members are required to notify the Association in writing of any change of address.

89. The signature to any such notice to be given by the Association may be written typewritten or printed.
90. Any notice if served by post shall be deemed to have been served at the time when the envelope containing the same would be delivered in the ordinary course of post; and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed stamped and posted.
91. Notice of meetings of members shall be given by the Secretary at least Thirty (30) days before the date of such meeting.
92. Notice of extraordinary meetings shall state the objects for which the meeting is called.
93. Any member or Director may waive the right to receive notices by an instrument in writing signed by him before or at or any meeting.

#### **INDEMNITY**

94. The Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to these Articles and to the Bylaws of the Association, and the Board, against all contractual and other liabilities to others arising out of contracts made by or other act of such Directors, Board, officers or committee members, on behalf of the Owners, or arising out of their status as Directors, Board, officers, committee members, unless any such contract or act is contrary to the provision of the laws of the Commonwealth of The Bahamas, these Bylaws or shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all cost and expenses (including, but not limited to, counsel fees, amounts of judgment paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer, Board or committee member, may be involved by virtue of such persons being or having been such Directors, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board or committee member; or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, Board, officer or committee member.

95. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of any undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association set forth herein.
96. The Association and the Board shall have the power to raise and the responsibility for raising by special assessment or otherwise, any sums required to discharge its obligations under this article. Every agreement made by the Directors, Board, officers or members of such committees or by the Managing Agent on behalf of the Owners shall provide that the Directors, Board, officers, members of such committees, or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability there under. The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of Members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as any member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

IN WITNESS WHEREOF we the subscribers to the Articles of Association have subscribed our names this     day of                     A.D., 2009

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**BYLAWS**  
**OF**  
**SANDYPORT HOMEOWNERS ASSOCIATION LIMITED**

**ARTICLE I**

**IDENTITY**

**NAME AND LOCATION**

The name of the corporation is **SANDYPORT HOMEOWNERS ASSOCIATION LIMITED** hereinafter referred to as “the Association.” The registered office of the corporation shall be in the City of Nassau and all meetings of Members and Directors shall be held at Sandyport or at such other place within the Island of New Providence as may be designated by the Board of Directors.

**ARTICLE II**

**DEFINITIONS**

- “the Association”* shall mean and refer to **SANDYPORT HOME OWNERS ASSOCIATION LIMITED** its successors and assign.
- “The Founder”* shall mean **SANDYPORT DEVELOPMENT COMPANY LIMITED**.
- “Owner”* shall mean any person who from time to time shall own a property by reason of the Founding Agreements or by reason of his title deriving from such Founding Agreements but excluding those having such title merely as security for the performance of an obligation.
- “Member”* shall mean and refer to those persons entitled to membership.
- “Property or Properties”* shall mean individually each and every lot townhouse house apartment or condominium unit constructed and laid out in the Sandyport Gated Area.



not less than one-tenth of the paid up capital of the Association carrying the right to vote at general meetings and being not less than six (6) Owners.

**Notice of Meetings**

Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least Thirty (30) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

**Quorum**

At all general meetings of the Association the quorum shall be six (6) Members in good standing present in person or by proxy together holding not less than Five percent (5%) of all votes entitled to be cast. In the event that such quorum shall not be present or represented at any meeting, the Chairman may with the consent of the meeting adjourn the meeting from time to time, without notice other than announcement at the meetings, until a quorum as aforesaid shall be present or be represented.

**Proxies**

At all meetings of Members, each Member may vote in person or by proxy and such proxies need not be Members of the Association. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Properties.

**ARTICLE IV**

**BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

**Number**

The affairs of this Association shall be managed by a Board of seven (7) Directors in number elected by the Members and each must be an Owner and Member of the Association in good standing.

### **Term of Office**

At the First Annual General Meeting, the Members shall elect Four (4) Directors for a term of one (1) year and Three (3) Directors for a term of two (2) years, and at each annual meeting thereafter, the Members shall elect for a term of two (2) years the number of Directors whose terms are expiring. The Directors appointed by the Founder shall serve until the First Annual General Meeting.

### **Removal**

Any Director may be removed by resolution passed at a general meeting of the Association by Members holding or representing more than one-half in value of the subscribed and issued shares of the Association. In the event of death, resignation, or removal of a Director, his or her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

### **Compensation**

No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

### **Action Taken Without a Meeting**

The Directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## **ARTICLE V**

### **NOMINATION AND ELECTION OF DIRECTORS**

### **Nominations**

Nomination for election to the Board of Directors shall be made by a Nominations Committee established by the Board of Directors. The Nominations Committee shall recommend to the Directors the nomination of Members in good standing suitable for election to the Directors. The Directors have the right to amend such list and shall then circulate the list to the Members thirty (30) days before the annual general meeting and request further nominations from the Members at large to be submitted in writing fourteen (14) days prior to the meeting. Those nominated must indicate in writing their agreement to stand. No nominations will be allowed from the floor at the Annual General Meeting.

### **Election**

Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Association. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## **ARTICLE VI**

### **MEETINGS OF DIRECTORS**

#### **Regular Meetings**

Regular meetings of the Board of Directors shall be held at least every three months.

#### **Extraordinary Meetings**

The Directors may whenever they think fit convene an Extraordinary General Meeting and they shall on the requisition of Members of the Association holding at the date of such requisition not less than one-tenth of the paid up capital of the Association carrying the right to vote at general meetings and being not less than six (6) Owners proceed within fourteen (14) days to convene a general meeting failing which the requisitionists may themselves convene a meeting. Any requisition made by the Members of the Association shall be in writing signed by the Members and express the object of the

meeting proposed to be called and shall be left with the Secretary of the Association. Thirty (30) days notice specifying the place day and hour of the meeting and specifying the business to be conducted shall be given in manner hereinafter mentioned to the Members entitled thereto or in such other manner as may be prescribed by the Association in general meeting but the non-receipt of such notice by any such Member shall not invalidate the proceedings at any such meeting.

**Quorum**

Three (3) of the Directors shall form a quorum.

**ARTICLE VII**

**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

**Powers**

The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
  
- (b) At any time subject to proper notice to the Member and after allowing the Member an opportunity to be heard to cancel or suspend the membership of any Member who in the opinion of the Directors shall have committed a breach of the rules of membership or whose conduct in the opinion of the Directors shall be unbecoming to a Member of the Association. The decision of the Directors shall be final. The Common Areas rights privileges and services incident to ownership at Sandypoint Gated Area are available only while such Owner shall be an Association Member.
  
- (c) exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws and the Articles of Incorporation;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ managers, attorneys, accountants, employees, independent contractors, and such other persons as they deem necessary to perform their duties.

### **Duties**

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;

(b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Founding Agreements, to fix, levy, collect and enforce payment by any lawful means of all charges or assessments affecting the Common Areas including but not limited to registering a lien against the property registered to the Member or Members in the case of co-Owners; to pay all office and other expenses incident to the conduct of the business of the Association and all licenses, franchise taxes, and governmental charges levied or imposed against the property of the Association;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause the Common Area to be maintained;

(g) cause the exterior of the residential units to be painted, but not otherwise maintained, and the gardens thereof to be maintained;

(h) perform all other duties and responsibilities provided in the Articles of Association.

**ARTICLE VIII**

**OFFICERS AND THEIR DUTIES**

**Enumeration of Offices**

The officers of this Association shall be a President and Vice President, who shall, at all times, be members of the Board of Directors; a Secretary, an assistant Secretary (if required), a Treasurer, and such other officers as the Board may from time to time by resolution create who need not be Members of the Association and such other officers shall perform such duties as may be prescribed by the Directors who shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit. They shall hold office until their successors are appointed. But any officer may be removed by the Directors. If any office becomes vacant during the year the Directors may fill the same for the unexpired term.

Any person may hold more than one (1) of these offices save and except for the President and Vice-President.

The duties of the officers are as set out in the Articles of Association.

**ARTICLE IX**

**COMMITTEES**

The Association shall appoint an Architectural Committee, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE X**

**BOOKS AND RECORDS**

The books of account shall be kept at one of the offices of the Association and subject to any reasonable restrictions as to the time and manner of inspecting the same as may be imposed by the Directors shall be open to the inspection of the Members in good standing during hours of business.

The Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to the Bylaws of the Association, and the Board, against all contractual and other liabilities to others arising out of contracts made by or other act of such Directors, Board, officers or committee members, on behalf of the Owners, or arising out of their status as directors, Board, officers, committee members, unless any such contract or act is contrary to the provision of the laws of the Commonwealth of The Bahamas, these Bylaws or shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all cost and expenses (including, but not limited to, counsel fees, amounts of judgment paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer, Board or committee member, may be involved by virtue of such persons being or having been such Directors, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board or committee member; or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, Board, officer or committee member.

### **Advance Payment**

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of any undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association set forth herein.

### **Miscellaneous**

The Association and the Board shall have the power to raise and the responsibility for raising by special assessment or otherwise, any sums required to discharge its obligations under this article. Every agreement made by the Directors, Board, officers or members of such committees or by the Managing Agent on behalf of the Owners shall provide that the Directors, Board, officers, members of such committees, or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability there under. The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of Members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as any member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

## **ARTICLE XIV**

### **MISCELLANEOUS**

#### **Applicability of Documents to Lessees of a Property**

The Bylaws, and other Rules and Regulations of the Association shall be applicable to any person leasing the Property and shall be deemed to be incorporated in any lease for any Property.

## **ARTICLE XV**

### **CORPORATE SEAL**

The Directors shall provide for the safe custody of the seal and the seal shall never be used except by the authority of a resolution of the Directors or a committee of the Directors authorized in that behalf or a general meeting.



**ARTICLE XVI**

**AMENDMENTS**

These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy.

In the case of any conflict between the Article of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Articles of Association and these Bylaws, the Articles shall have control.

**ARTICLE XVII**

**FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

**APPENDIX**

(A copy of the Restrictive Covenants attached hereto)