

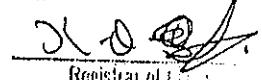
**AMENDED BY-LAWS
ADOPTED BY UNANIMOUS RESOLUTION OF THE PROPRIETORS PASSED
THE 1ST DAY OF JANUARY 2005**

THE PALMS RESORT

**AMENDED BY-LAWS
OF**

THE PROPRIETORS OF STRATA PLAN NO. 50

I, the Registrar of the Land Registry in the Turks and Caicos Islands, hereby certify that this document was received for registration at 10:00 hours on the 1st January 2005 and that Land Registry fees at £ 25.00 have been paid relating thereto.


Registrar of the Land Registry

1.0 GENERAL

1.1 In these By-laws:

- "By-laws" means these By-laws contained herein.
- "Company" means "The Palms Condominiums Ltd." and "Millennium Estates Ltd. a body corporate registered in the Turks and Caicos Islands or its designated nominee.
- "Corporation" means the body corporate known as "The proprietors, strata plan No. 50", incorporated pursuant to section 4 of the *Ordinance*.
- "Development" means the construction of condominium units, supporting facilities and common property, at parcel 60804/111, 112 The Bight, & Thomas Stubbs, Providenciales, Turks and Caicos Islands commonly referred to as "The Palms Grand Resort."
- "Ordinance" means the *Strata Titles Ordinance* of the Turks and Caicos Islands and any amendment or modification thereto for the time being in force.

- 1.2** Unless the context otherwise requires, words or expressions contained in these By-laws shall bear the same meaning as in the *Ordinance*, or any statutory modification thereof in force at the date at which these By-laws become binding on the Corporation.
- 1.3** Expressions referred to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing and reproducing words in a visible form.
- 1.4** Those by-laws set forth at sections 3-34 inclusive of the First Schedule to the *Ordinance* are hereby incorporated in these By-laws by reference.
- 1.5** Those by-laws set forth at sections 1 and 2 of the First Schedule and sections 1 and 2 of the Second Schedule to the *Ordinance* are specifically excluded from these By-laws.

2.0 PROPRIETORS' OBLIGATIONS

2.1 Each proprietor shall:

- a.** permit the Corporation and its agents at all reasonable times on notice except in case of emergency (when no notice shall be required) to enter his strata lot for the purpose of inspecting it and maintaining, repairing and renewing pipes, wires, cables and ducts for the time being existing in the strata lot and capable of being used in connection with the enjoyment of any other strata lot or the common property, or for the purpose of maintaining, repairing or renewing the common property, or for the purpose of ensuring that the By-laws are being observed;
- b.** pay all rates, taxes, charges, outgoings and assessments that may be payable in respect of his strata lot;
- c.** pay to the Corporation with respect to the proprietor's strata lot within fourteen days of demand (i) all contributions and charges levied or demanded by the Corporation pursuant to the *Ordinance* and in particular pursuant to section 5 thereof and (ii) a proportionate share based on unit entitlement of all and any cost and expenses incurred by the Corporation in connection with the performance of its duties under the *Ordinance* and under these By-laws PROVIDED ALWAYS THAT in the event of any such payments not being made within fourteen days of demand

he shall pay interest thereon at the rate of 10% per annum above the 90 Day United States Federal Treasury Bill Rate prevailing at the time of default which such interest shall accrue from day to day until payment; in the event of any such payments (together with interest accrued) not being made within thirty days of such demand or in the event of his becoming bankrupt or making composition with his creditors or being a corporation entering into liquidation then in any of these events he shall and does hereby irrevocably authorize and permit the Corporation to enter into possession of his strata lot and further does irrevocably appoint the Corporation to be the receiver of the rents and profits of his strata lot in each case until such time as the said payments (together with interest accrued) have been made by him to the Corporation.

- d. repair and maintain the strata lot (including but not limited to its interior walls, floors, ceilings, doors, windows and electrical and plumbing fittings but exclusive of structural elements common to two or more strata lots) and keep it in a state of good repair, reasonable wear and tear and damage by fire, storm, tempest or act of God excepted;
- e. be responsible for the repair of any damage to any outside surfaces of his strata lot howsoever caused unless the same be insured by the Corporation;
- f. use and enjoy the common property in such manner as not to interfere unreasonably with the use and enjoyment thereof by other proprietors or their tenants, invitees or licensees;
- g. not use a strata lot or permit it to be used in such manner or for such purposes as may cause a nuisance or hazard to the proprietor of any other strata lot or that proprietor's tenants, licensees or invitees;
- h. within twenty one (21) days of the date of every transfer, lease, grant of probate or administration, order of court or other event or document relating to his strata lot give notice thereof in writing to the Corporation, and in case of a document send a copy thereof to the Corporation at his expense;
- i. not use or permit his strata lot to be used for any other purpose other than residential purposes with the exception of the Cabana restaurant, management office/lobby center and laundry facility;
- j. not permit or suffer to be done in or upon his strata lot anything whereby any insurance for the time being effected on the common property, any building in the strata plan or any strata lot therein or any part thereof may be rendered void or voidable or whereby the rate of premium may be increased;
- k. authorize the exterior painting or staining of his strata lot by the Corporation in accordance with the provisions hereof;
- l. not at any time cut, maim or remove the main walls or timbers in his strata lot unless approved by the executive committee of the Corporation;
- m. not make any alterations in the strata lot without the approval in writing of the Corporation of the plans and specifications thereof, and make such alterations only in accordance with such plans and specifications when approved;
- n. do all such works as under any law are directed or are necessary to be done on or in respect of the strata lot (whether by landlord, tenant or occupier) and keep the Corporation indemnified against all claims, demands and liabilities in respect thereof;
- o. not to do or permit or suffer to be done any act, matter or thing on or in respect of his strata lot which contravenes the provisions of any legislation from time to time in force in the Turks and Caicos Islands in relation to development and planning or any approval or regulation made thereunder, and keep the Corporation indemnified against all claims, demands, and liabilities in respect thereof;
- p. permit the Corporation or its agents or workmen to have access to and enter upon the strata lot as often as may be reasonably necessary for them to do so in the fulfillment of their obligations relating to the common property, or to any other strata lot;

- q. not use or permit to be used the strata lot or any part thereof for any illegal or immoral purpose;
- r. not to change or permit any change in the use of his strata lot without the prior consent in writing of the Corporation;
- s. pay the costs of repairing any damage to any other strata lot or to the common property or any other property owned by the Corporation caused by the negligence of the proprietor, his servants, agents, licensees, invitees or tenants provided that such damage is not covered by the insurance on the strata lot or any other strata lot or the common property, and such damage shall be presumed to have been caused by such negligence unless the proprietor shall prove to the contrary;
- t. comply with and observe any reasonable regulations which the Corporation may from time to time make to govern the use of the strata lots and the common property, the Corporation shall designate the garden patio areas immediately adjacent to the ground floor strata lots for the exclusive use and enjoyment of the proprietors for the time being of such adjacent strata lots, their licensees and invitees;
- u. keep all sinks and waste pipes in his strata lot clear and open and be responsible for all damage occasioned through the bursting or stopping up of pipes caused through improper use or by the negligence of the proprietor or his servants, agents, licensees, invitees or tenants for the time being; all defects of which the proprietor shall become aware and which may in any way affect any other strata lot shall forthwith be notified by the proprietor to the Corporation;
- v. at all times keep all the windows of the strata lot properly cleaned;
- w. not without the previous consent of the Corporation cause or permit anything to be placed on the outside walls or roof or any visible part of his or any other strata lot;
- x. obtain the approval in writing of the Corporation before placing, painting, affixing or installing any new or amended sign, billboard or other advertising matter on the common property;
- y. tightly wrap, tie and place in containers all his garbage in such area or areas as may from time to time be designated for that purpose by the Corporation;
- z. not without the previous consent in writing of the Corporation alter any electric wiring or water supply system which does or may affect any other strata lot or the common property;
- aa. pay for all electricity, water and other services consumed or used in his strata lot to the companies or authorities supplying such services in accordance with the meters situated in the strata lot and in the event of the same or any of them being chargeable to the Corporation to repay the proportion attributed to the strata lot upon demand by the Corporation;
- bb. not keep or suffer or permit anyone to keep more than two common domestic pets in or on his strata lot; Any approved pets must not be allowed in any common areas other than for the purpose of direct access and egress to the strata lot. Notwithstanding, the above, the pet(s) may in no way cause nuisance to any other owners or guests within the Development. In addition the owner of any pets kept in his or her strata lot agree to be fully responsible and liable for the actions of such pet(s) while in the strata lot or with the Development. The Corporation or its appointed manager will have full discretion in determining whether any given pet is considered a nuisance and have the right to request that the pet(s) be removed from the premises with 48 hours written notice to the owner.
- cc. not erect or use or suffer or permit anyone to erect or use a clothes line or to hang clothes outside his strata lot or otherwise to hang clothes in a manner visible to the public;
- dd. be obliged upon being so required by the Corporation to effect a policy of insurance in respect of damage to his strata lot in a sum equal to the amount secured by any charge or charges registered against his strata lot from time to time in accordance with the provisions of section 17 of the *Ordinance*;

- ee. keep and maintain portions of the common property immediately adjacent to his strata lot in a neat, clean and well groomed condition and in a generally well cared for state, free and clear of obstruction, dirt and refuse; and
- ff. pay a proportionate share based on unit entitlement of all and any costs and expenses incurred by the Corporation in connection with the performance of the Corporation's duties under the *Ordinance* and under these By-laws including all contributions necessary to establish and maintain a fund for administrative expenses as determined by the Corporation for the control, management and administration of the common property, for the payment of insurance premiums, and for discharge of any other obligations of the Corporation as well as all other costs and expenses incurred by the Corporation in relation to performance of its duties under these By-laws and under the *Ordinance*, including collection of sums due and a reserve fund as contemplated by paragraph 3.1(l) hereof;
- gg. not to leave any automobiles for long term parking and not to store or park any other vehicles, boats or trailers on the premises.
- hh. not to operate or store any barbecue or other grilling device within the his strata lot or within the development other than a designated unit made available by the Corporation for the common use of strata lot owners.

2.2 The Corporation shall not nor shall any receiver appointed hereunder be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any accidents occurring in the operations carried on or for any negligence, default or omission for which a mortgagee or chargee in possession might be held liable.

3.0 THE CORPORATION

3.1 The Corporation shall at the expense of the proprietors:

- a. control, manage and administer the common property for the benefit of all proprietors;
- b. keep in a state of good and serviceable repair and properly maintain the fixtures used in connection with the common property;
- c. where practicable establish and maintain suitable landscaping on the common property;
- d. maintain and repair (including renewal where reasonably necessary) pipes, wires, cables and ducts for the time being existing in the strata plan and capable of being used in connection with the enjoyment of more than one strata lot or the common property;
- e. pay all existing and future rates, taxes, assessments and outgoings now or hereafter imposed on or payable in respect of the common property;
- f.
 - (i) insure the strata plan (which for the avoidance of doubt shall for this purpose include each and every strata lot for the time being contained therein, together with the common property and all erections, buildings and installations now or hereafter standing or installed thereon or therein) and keep it insured against loss or damage by riot, civil commotion, fire, explosion, storm, flooding, impact of damage caused by aircraft or dropping therefrom and such other risks as it shall from time to time think fit with such insurance company of repute as it may decide to an amount or amounts equal to the full replacement value thereof, including, but not limited to, demolition and clearing costs, and survey, architectural and legal fees; and
 - (ii) take out and keep on foot such policy of insurance in an insurance office of repute covering liability for injury to persons in or about the strata plan and against such other risks and in such a sum as it shall from time to time consider reasonable, but in no event less than US\$3,000,000.00;

all which policies of insurance shall be taken out in the names of the Corporation and such of those whose names appear on the records maintained by the Corporation at the time of taking out such policies and at the time of

renewals thereof. Provided always that upon receipt of written notification from the transferee or chargee of any such strata lot during the currency of any such policies of insurance it will forthwith apply to have the interest of such transferee or chargee noted upon such policies of insurance and shall make all payments necessary for these purposes within fourteen days after the same shall become payable and shall produce to the proprietors or their chargees upon demand the policies of such insurance and the receipts for every such payment;

- g. as often as any of the strata plan is destroyed or damaged by an insured risk, it shall rebuild and reinstate the same in accordance with the regulations and the planning or development scheme of any competent authority for the time being affecting the same and it is hereby agreed that any monies received in respect of the insurance provided for shall be applied so far as the same shall extend in so rebuilding or reinstating the strata plan;
- h. subject to the contribution and payment by the proprietors as herein provided keep the common property and all fixtures and fittings therein and thereon and additions thereto in good and tenable state of repair and condition including the renewal and replacement of all worn or damaged parts and in particular (but without prejudice to the generality of the foregoing) shall:
 - (i) maintain the parking areas, all communal water, sewage and electricity systems and plant, and ancillary equipment, landscaping, entrance drives, canopies and walkways, and communal lighting systems of the common property and any boundary walls and fences belonging thereto in good order and condition and free from all obstructions;
 - (ii) maintain the external appearance of buildings so as to retain a complementary and pleasing character by paint, stain or other repair work that is or may become reasonably necessary;
 - (iii) paint such of the exterior of the buildings in the strata plan as would usually be so painted, and all additions thereto with good and suitable paint in proper and workmanlike manner as required; and
 - (iv) before repairing any joist or beam which is attached to any ceiling or floor of any one of the strata lots and before carrying out repairs or works to the common property for the carrying out of which it requires access to any one or more of the strata lots give reasonable notice (and except in cases of extreme urgency at least forty eight hours notice) in writing to the proprietor and shall on giving such notice be entitled to repair the said joist or beam or carry out the said repairs or works and in doing so have any required access to the strata lot or lots but shall act carefully and reasonably doing as little damage as possible to the said strata lot or lots and making good all damage done;
- i. arrange for the collection and disposal of rubbish;
- j. secure for each and every one of the strata lots and the common property to the best of its ability a constant supply of potable water to all the faucet outlets and taps provided for the drawing of water in each and every strata lot, subject always to the right of the supplier of such water to suspend supply to any proprietor in the event of non-payment of its water charges;
- k. discharge the common expenses of the strata plan including but not limited to (i) all levies or charges on account of electricity, water, gas or fuel services supplied to the Corporation; (ii) the cost of and charges for management fees; (iii) all costs and charges on account of landscaping and maintenance of the common property and structural elements, common to any two or more strata lots and; (iv) any costs established by the Corporation for a reserve fund for the benefit of the strata plan; and
- l. the Corporation may establish a reserve fund for the benefit of the strata plan and the Development to cover reasonably expected future capital expenditures and to levy contributions of the proprietors in that regard in accordance with their respective unit entitlements;
- m. make regulations from time to time to govern the use of the strata lots and the common property.

3.2 Nothing herein contained shall prejudice the Corporation's right to recover from the proprietor of any strata lot or any other person the amount or value of any loss or damage suffered by or caused to the Corporation or the common property by the negligence or wrongful act of or default of the proprietor of any strata lot or such other person.

3.3 Notwithstanding the above noted provisions, neither the Corporation nor any of its officers shall in any way be held responsible for any damage caused by any neglect or failure to maintain the common property or any part thereof unless or until notice in writing of any such neglect, failure, want of repair or defect as aforesaid has been given to the Corporation by or on behalf of a proprietor or proprietors of any strata lot or lots and the Corporation has failed to make good or remedy such neglect, failure, want of repair or defect as aforesaid within a reasonable time of receipt of such notice.

4.0 THE EXECUTIVE COMMITTEE

4.1 In addition to the powers conferred upon it in the First Schedule to the *Ordinance*, the Executive Committee of the Corporation, may, subject to any restrictions imposed or directions given at a general meeting, cause the Corporation to enter into such deeds or agreements upon such terms as it may from time to time consider beneficial to the Corporation or its members.

5.0 NOTICES

5.1 A notice may be served by the Corporation upon the proprietor or chargee by delivery to the strata lot. The Corporation may, without obligation to do so, send a copy of the notice via mail to such other address as the proprietor may request in writing.

5.2 For further clarity, notice served on a proprietor at his strata lot shall be deemed sufficient notice. Any additional copies sent by the Corporation are voluntary and do not effect sufficient notice to the proprietor.

5.3 Notice to the Corporation shall be delivered to its registered office.

6.0 AMENDMENT OF BY-LAWS

6.1 For the avoidance of doubt it is hereby declared that the provisions of the *Ordinance* shall be varied and these By-laws shall not be amended or varied as they pertain to all of section 6.0 and 7.0 herein.

6.2 All remaining sections of the By-laws shall not be amended or varied except by 2/3 majority vote in favor.

7.0 COMMENCEMENT OF OPERATIONS

7.1 It is acknowledged that the Development and the strata plan are not complete as of the date of enactment of these By-laws and it is acknowledged that the Company reserves unto itself and shall have the right to develop the Development in phases and that no objection shall be raised or action taken pursuant to these By-laws or otherwise by the Corporation or by any proprietor in respect of any temporary nuisance caused in the furtherance of the said Development, whether by passage of vehicles, construction, excavation or otherwise.

7.2 Notwithstanding any other provision of these By-laws, the following provisions shall have effect and shall prevail until four fifths of the strata lots contained within the strata plan have been sold by the Company and all such sales are final:

- a. Extraordinary General Meetings of the Corporation shall be called by the Company;
- b. the Executive Committee shall consist of the Company or its nominees; and
- c. no resolution passed at any General Meeting of the Corporation shall be valid or effective unless it is approved in writing by the Company.

7.3 It is acknowledged that the construction of the Development is being completed in phases as contemplated by Part V of the *Ordinance*. Payments due to the Corporation by Owners of residential strata lots pursuant to any provision in the *Ordinance* or in these By-laws shall be a proportionate share of the costs and expenses concerned, based on unit entitlement calculated by reference to residential strata lots in the strata plan for which a certificate of fitness for occupancy has been issued. Any strata lots used for commercial purposes, including but not limited to, restaurants, lobbies, spas, boutiques, administration offices or laundry facilities will also be responsible to pay such costs on an assigned unit entitlement not necessarily based on proportionate square footage but one that would yield a typical commercial common area assessment for a similar use and commercial facility in the Turks & Caicos Islands.

7.4 The proprietors of strata lots shall accede to any reasonable modifications of the strata plan from time to time to incorporate existing or proposed strata lots and common property from other areas within the Development, so as to merge the subject strata lots and common property with other properties within the Development as and when the phased development progresses.

7.5 It is acknowledged by the proprietors that the Company shall maintain title to the restaurant, laundry, lobby, boutiques, office facilities and other commercial strata lots within the Development, and the Company shall be responsible for common property expenses and obligations as a proprietor in relation to these strata lots under these By-laws. The Company agrees to abide by the By-Laws herein contained to the extend reasonable, however where not practical any clause that is primarily intended to apply to a residential strata lot and that would restrict the ability for the commercial strata lot(s) to operate and make modifications will not apply and/or approval will not be unreasonably withheld. For clarification such clauses would include but not be limited to: 2.1c(ii) as it relates to unit entitlements and appointment of receiver. Also, 2.1i, 2.1k, 2.1l, 2.1m, 2.1r, 2.1w, 2.1x

8.0 INTERPRETATION

8.1 In these By-laws where the context so admits words importing the masculine gender shall be deemed to include the feminine and neuter genders and words importing the singular number shall be deemed to include the plural.

8.2 In the event that one or more of the provisions contained herein shall be held for any reason to be illegal, invalid or unenforceable, such holding shall not affect any other provisions hereof and these By-laws shall be construed as if the said provision(s) so held had not been contained herein.

8.3 These By-laws shall be construed in accordance with and subject to the laws of the Turks and Caicos Islands and the parties hereto submit and attorn to the jurisdiction of courts of the Turks and Caicos Islands.

8.4 These By-laws shall enure to and be binding on the successors, heirs, assigns and receivers of the parties hereto, and the proprietor agrees not to transfer title to his strata lot without first receiving a binding assumption of the covenants and obligations hereunder.

9.0 **INDEMNITY**

9.1 The members of the Executive Committee, the Auditors, Secretary and other officers for the time being of the Corporation and any trustee for the time being of the Corporation and any trustee for the time being acting in relation to any of the affairs of the Corporation, their and each of their heirs, executors, administrators and personal representatives shall be indemnified out of the assets of the Corporation from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own willful neglect or default respectively and no such officer or trustee shall be answerable for the acts, receipts, neglect or defaults of any other officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any bankers or other persons with whom any monies or effects belonging to the Corporation may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Corporation may be invested or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such officer or trustee.

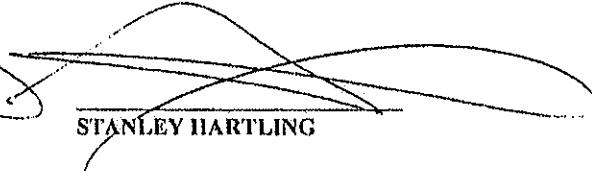
Amended by-laws adopted by unanimous resolution of the proprietors, Strata Plan No. 50 passed this
1st day of January, 2005

THE PALMS CONDOMINIUMS LTD.
By its Director



STANLEY HARTLING

MILLENIUM ESTATES LTD.
By its Director



STANLEY HARTLING