

By-laws of Belmont Homeowners Association Limited

An Association established in the British Virgin Islands

Incorporated on 19 February 2011

Revision of February 2020

Version drafted APRIL 1, 2019

Period of Existence

- 1) The period of existence will be forever.

Purpose of the Association

- 2) The purpose for which the Association is formed is to continue and support common provisions of original deeds in conveying residential property from Belmont Estates Ltd. to each residential landowner or his or her predecessor. As there stated, the purposes of the Association are:
 - a) To provide in perpetuity for the care and maintenance of all Association properties now or hereafter owned, leased or otherwise acquired, such as roads, parks, beaches, water-docks, club houses, buildings, other structures and other grounds used for recreation and sports at Belmont Estates, Tortola, B.V.I. and including all the property lawfully used in common by Association Shareholders with the permission of the Association and all property adjacent thereto which may be purchased, leased, or otherwise acquired from the Association or from others;
 - b) To formulate rules and regulations, and provide for the enforcement thereof, for the use of all Association properties and facilities, now owned and/or hereafter acquired;
 - c) To preserve the natural beauty of Belmont Estates; to create and perpetuate a high social, civic and cultural standard within the community and/or the British Virgin Islands;
 - d) To provide and maintain an adequate system of administration; and to provide, maintain and enforce all reasonable standards of safety;
 - e) To make available to Shareholders of the Association and their immediate family and guests, facilities for the enjoyment of all the properties mentioned herein and to promote health, welfare, pleasure, recreation and entertainment;
 - f) To preserve Belmont Estates as private property by taking over and maintaining all roads in a condition acceptable to the Shareholders and the Association;

- g) To arrange for and carry out all necessary maintenance of Belmont properties owned or used by the Association.

Definitions

- 3) “Association” shall mean and refer to Belmont Homeowners Association Limited, an organization of the Shareholders owning property on Belmont Estates in the British Virgin Islands.
- 4) “Belmont Estates” means the lands shown on the map attached as Appendix I to these By-Laws.
- 5) “Covenants” shall mean the covenants and restrictive agreements included in the conveyance of each property unit, an example of which is set out in Appendix II to these By-laws.
- 6) “Shareholder” means the registered owner or owners of a property located in Belmont Estates, or a person appointed by the registered owner to serve as proxy on behalf of the owner(s).
- 7) “Shareholder in Good Standing” shall be a Shareholder having paid all amounts including late charges, interest or other monies due to the Association.
- 8) “Property Unit” shall be a developed or undeveloped residential lot or villa owned by a Shareholder within Belmont Estates or lots owned and/or held for sale by the Association.
- 9) Words denoting the singular include the plural and vice versa and words denoting the masculine include the feminine and neuter genders.
- 10) Email shall satisfy all requirements denoting a “written”, “requested in writing”, “written notice” or similar denotation. Electronic proxy shall satisfy all requirements of “written proxy” or similar denotation.

Incorporation of Association

- 11) It was resolved at the Annual General Meeting on February 19, 2011 of Belmont Association that
 - a) Association shall become incorporated as the Belmont HOA Limited (the Company), Company #1401364 with registered office at McNamara Chambers, Road Town, Tortola
 - b) That the Directors of the Company shall function as the Board of Directors of the Association

- c) That all members of the Association do subscribe for one share per assessment in the Company which the Company shall allot in accordance with its Memorandum and Articles of Association

Membership

- 12) The rights of membership are subject to the payment of annual and special assessments, late charges, interest and other monies levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property unit against which such assessments are made as provided by the Covenants to which the property units are subject.
- 13) The membership rights of any person whose interest in the property unit is subject to assessments under Article 12, above, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Board of Directors during the period when the assessments remain unpaid.

Rules and Regulations

- 14) The subdivision of land or the construction of any new residence or major additions, modifications and/or improvements including, but not limited to, additional buildings, swimming pools, garages or major landscaping around existing structures shall fall within the scope of the Building Regulations attached as Appendix III in force at the time of construction.
- 15) All sound and light emanating from owner property shall not disturb adjoining property owners' quiet enjoyment of their property. "Down lighting" is encouraged for all exterior areas.
- 16) Water deliveries are restricted to reasonable hours Monday through Saturdays. Water deliveries on Sunday are prohibited.
- 17) The use of fire to dispose of construction waste or brush from clearing operations is actively discouraged by the Association. Under no circumstances will unattended fires be permitted.
- 18) "For Sale" signs for houses and land only no larger than 2' x 2' are allowed. No other signage, except numbering and house name, shall be visible from Belmont Estate roads.
- 19) Household pets shall not present a danger to Association residents or visitors. The Board of Directors may set reasonable rules and regulations pertaining thereto and may require Shareholders to remove any pet deemed dangerous. Shareholders are responsible for the actions of all guests and/or lessees at/of their property.

Meeting of Shareholders

- 20) An Annual General Meeting of the Association shall be held in Tortola during the second half of February of each year or at such other time and place as determined by the Board of Directors. At least thirty (30) days notice of the time and place of such meeting shall be given.
- 21) Upon thirty (30) days written notice to each Shareholder, Special Meetings of the Association may be called by the Board of Directors, or at the request of the President, or in his absence or incapacity, the Vice President, or on written request of one-fourth (1/4) of the voting membership. The purposes of the meeting shall be as specified in the notice.
- 22) A quorum shall be any number of Shareholders representing a minimum of twenty (20) property units either present or represented by written proxy.
- 23) The Annual General Meeting shall follow an agenda, to be prepared by the President or his designee, to review in an orderly manner the affairs and administration of the Association for the past year and anticipated affairs for the next twelve months. There shall be specific reports on capital improvements made and proposed to be made as well as reports on the activities of the Shareholders engaged in each of the specialist operational areas. The financial accounts for the preceding year and the budget for the current fiscal year will be reviewed and presented for approval. The Shareholders shall elect the appropriate number of Shareholders to the Board of Directors.
- 24) The agenda for Special Meetings shall address those matters specified in the notice of the Special Meeting.
- 25) Shareholders in Good Standing shall have one vote for each property unit owned. Shareholders, qualified to vote, may assign their voting rights to others by means of written proxy.
- 26) Matters eligible for voting by proxy shall be restricted to those items listed on the Proxy Statement circulated with the notice of the Annual General Meeting or the Special Meeting.

Board of Directors

- 27) The Board of Directors shall consist of a minimum of six (6) and a maximum of nine (9) Shareholders in Good Standing or their spouses or shareholders or officers of corporate Shareholders in Good Standing. The terms of service of such Directors shall be 3 years. The Directors shall be elected at each Annual General Meeting for a term of three years.

- 28) Four shareholders of the Board of Directors present at any meeting of the Board of Directors shall constitute a quorum for all purposes
- 29) The Board of Directors shall, at the December Meeting or earlier, nominate a slate of qualified Shareholders to fill the existing or expected vacancies in the Board of Directors.
- 30) Any ten (10) or more Shareholders may also nominate candidates for vacancies on the Board of Directors by signing a report of such nominations and delivering a copy, together with the written consent of the candidate, to the Secretary thirty (30) days prior to the Annual General Meeting.
- 31) No one except Shareholders in good standing as defined in Article 6 shall be entitled to serve on the Board of Directors or to hold appointed office in the Association.
- 32) The Board of Directors shall have the power:
 - a) To call Special Meetings of the Shareholders whenever it deems necessary and whenever such a meeting is requested in writing by written request of one fourth (1/4) of the voting Shareholders as defined in Article 19 of these By-laws.
 - b) To appoint and remove, at its pleasure, all officers, agents and employees of the Association and to prescribe their duties, fix their compensation and require of them such security or fidelity bond as the Board may deem expedient. Nothing contained in these Articles shall be construed to prohibit the employment of any Shareholder, officer or Member of the Board of Directors by the Association in any capacity whatsoever, provided only that the approval of the membership is obtained at an Annual General Meeting for such employment.
 - c) To establish, levy and assess, and collect the assessments and/or charges referred to in Articles 38 to 46.
 - d) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Annual General Meeting of the Shareholders or as set forth in the Covenants and these By-laws.
 - e) Upon reasonable cause, and prior written notice thereof, the Board may assess to any member an extraordinary assessment for wilful and/or continued violation of these bylaws and/or the attachments hereto. Such assessment may not be punitive, but may be sufficient to deter any further violations.

- 33) It shall be the duty of the Board of Directors:
- a) To cause to be kept a complete record of all financial acts of the Association and to present full financial statements of the previous year pertaining thereto to the Shareholders at the Annual General Meeting of the Shareholders for approval or the same at any Special Meeting of the Shareholders when such is requested by one fourth (1/4) of the voting membership as defined in Article 21.
 - b) To supervise all officers, agents and employees of this Association and to see that their duties are properly performed.
 - c) The following duties as more fully provided in the Covenants:
 - i) To fix the annual budget and the amount of the annual assessments for each assessment period and to present such at the AGM for approval by the membership;
 - ii) To prepare a roster of property units and assessments applicable thereto which shall be open to inspection by any Shareholder;
 - iii) To send written notice of each assessment to every Shareholder subject thereto.
 - d) To the extent that the Covenants permit, take all necessary steps to insure compliance with and enforcement of the Covenants applicable to the property units, including entry, at reasonable times and with notice, upon member property to inspect for Covenant compliance.
- 34) The highest amount of indebtedness or liability, direct or contingent, to which this Association may be obligated by the Board of Directors at any time shall not exceed \$50,000 or 15% of the reserves, whichever is greater. Additional amounts, including allowance for inflation, may be authorized by the Annual General Meeting or a Special Meeting of the Association called in accordance with Article 21 for the purpose and with the assent of two-thirds (2/3) of the shareholders in attendance.

Election of the Board of Directors

- 35) Election to the Board of Directors shall be by written or electronic ballot as hereinafter provided. At such election, the Shareholders or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise in accordance with Article 25. The candidates receiving the largest number of votes, provided the minimum of 10 votes has been attained, shall be elected. In the event that there are more candidates than positions, priority will be assigned based on those receiving the greater number of votes. In the event of a tie, the Board will decide the tie breaker by majority vote and in the event of an even vote on the Board the highest ranking officer on the Board will make the decision in the following order President, Vice President, Secretary.

- 36) All elections to the Board of Directors shall be made on written or electronic ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated for such vacancies; and (c) contain a space for a write in vote by the Shareholders for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the Shareholders at least 30 days in advance of the date set forth therein for a return which shall be the date not later than the day before the Annual General Meeting or Special Meeting called for elections.
- 37) Write-in votes for any candidate for the Board of Directors shall not be considered unless there are a minimum of ten (10) votes cast for the specific candidate.

Meetings of the Board of Directors

- 38) A minimum of two regular meetings of the Board of Directors shall be held each year; the first meeting to immediately follow the regular Annual General Meeting of Shareholders. Notice of the second meeting shall be provided by the Secretary not less than fifteen (15) days before the date of the meeting. Additional meetings may be called from time to time at the discretion of the Board of Directors.
- 39) The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be valid provided a quorum is present.

Assessments

- 40) Each Shareholder shall pay to the Association a share of the annual costs including interest expense, plus maintenance cost, plus approved capital expenditures and any other special costs and assessments plus 15% for administration or a range of (0 to 25%), as provided for in the Covenants all or part of which fee may be waived by the Board of Directors in the event that the Association's financial reserves total a minimum of \$50,000 or such larger sum as may be determined by the Board of Directors.
- 41) Individual assessments shall be calculated on the basis of the total number of property units owned, whether as residential lots or villas.
- 42) The Association fiscal year shall run from April 1 to March 31.
- 43) All Assessments are due and payable when presented. The Board of Directors may establish installment and/or early payment schemes, as modified from time to time.
- 44) A grace period of sixty (60) days will be allowed to provide for transmission time of the payments.

- 45) If, at the end of the grace period, the Assessment is still outstanding, it will be deemed to have become delinquent and a delinquent fee of 25% of the outstanding amount will be added.
- 46) Interest will be charged at the rate of 3 % per month, beginning at the original date of issue of the assessment. Interest will be compounded monthly for an average annual rate of 46%. The first late payment fee will be incurred after 60 days of delinquency and will be 25% of the delinquent amount and then monthly late payment charge incurred after 60 days of delinquency will be 3% of the delinquent amount.
 - a) In such circumstances where the Board determines that a Member has been continually delinquent in his payment obligations to the Association, the Board may require such Member to prepay monies in order to avoid continual collection efforts. Such Member shall be notified, in writing, in advance of the actual assessment date, of the Board's determination and the basis therefore. Such prepayment obligation shall be treated as current dues as of the date assessed. In no event shall the prepayment amount exceed three times (3X), the current year's dues assessment.
- 47) Should the Board of Directors decide that legal action is necessary to recover the delinquency, an amount equivalent to all legal fees spent in the recovery of the delinquent funds will be added to the account.
- 48) A caution may be placed against all delinquent properties at sole discretion of the Board of Directors. All costs of placing such a caution will be added to the Shareholder's account.

Remediation of Breaches of Covenant

- 49) A Shareholder shall remedy any violation of the covenants, construction rules and regulations and/or directive from the Architectural Review Committee (ARC) as requested by the Board or its delegate. Upon any failure to remedy, the Board, upon 30 days advance written notice to the Shareholder, may effectuate such remedy and invoice the Shareholder for the reasonable costs incurred which shall be deemed to be a special assessment on such Shareholder. Any delay in repayment of such costs shall result in such costs being treated as delinquent obligation.

Rental Restrictions

- 50) In order to secure the quiet enjoyment of the Estate by all residents, and to prevent use of the Estate for short term raucous activity, such as weekend partying, Members and their rental agents are prohibited from renting their villas for any purpose other than normal residential living. Short term rentals for partying events are specifically prohibited.

Members or their rental agents must vet all renters prior to initiating a rental agreement. Such vetting process must clearly state and confirm that the villa will not be used for partying activities that will result in loud noise that disturbs neighbors. The number of people occupying a rented villa for any extended period must be consistent with the sleeping capacity of the villa.

Members have the ultimate responsibility for compliance with this by-law and will be held responsible even if violations are due solely to the actions of their rental agents. Members are requested to inform their rental agents of this policy proactively to protect themselves from monetary penalties imposed by the Board.

The Board, at its discretion, is empowered to levy monetary penalties upon Members if they or their agents evade or attempt to evade this by-law. Complaints of raucous behavior and noisy disturbances will be investigated by the Board. The Board will decide what action to take.

Depending upon circumstances, a Member might receive an initial warning or a \$500 penalty, followed by a penalty of \$1,000 for second violations. Continued violations will be subject to penalties of increasing amount. Penalties imposed by the Board will be treated in the same manner as late payment of association dues and will be subject to the same interest charges and attorney fees as late payment of dues if the penalty is not paid promptly.

Offices

- 51) The officers of the Association shall be a President, a Vice President, a Resident Manager, a Secretary and a Treasurer. The Directors may authorize an alternate form of governance on a year-to-year basis.
- 52) The Board of Directors shall select from their number the President and the Vice President and shall appoint the remaining Officers. With the exception of the President and the Vice President, none of the officers need necessarily be members of the Board of Directors.
- 53) In the absence of a duly appointed Resident Manager, the President shall function in that position until a replacement acceptable to the Board of Directors can be found.

- 54) The nominal term of office for any of the Officers shall be one year. Officers may be re-elected for an unlimited number of consecutive terms.
- 55) The President shall preside at all meetings of the Association or the Board of Directors. The President shall be responsible for ensuring that any and all resolutions of the Board of Directors or the general membership are carried out.
- 56) The Vice President shall perform the duties of the President in the President's absence.
- 57) The Secretary of the Association shall be the ex-officio Secretary of the Board of Directors. The Secretary shall be responsible for the keeping of all minutes of meetings. In the absence of the President and the Vice President the Secretary shall be responsible for assuming the duties and privileges of the President.
- 58) The Treasurer shall be responsible for coordinating the development of the annual budget.

Resident Manager

- 59) The Resident Manager shall, if possible, be drawn from the Board of Directors and shall generally be responsible to the Board of Directors for the function and maintenance of the infrastructure of the Estates.
- 60) If the Resident Manager is not drawn from the Board of Directors, the position may, at the discretion of the Board, be considered as a paid position under Article 30(b).
- 61) The Resident Manager, with the approval of the Board of Directors shall be empowered to contract with and employ outside contractors for all projects or work required for the Estates.

Budget

- 62) The Annual Budget shall be developed by the Board of Directors or a professionally employed accounting institution in conjunction with the Board for presentation to the membership for approval at the Annual General Meeting.
- 63) A draft budget will be prepared in December and reviewed by the Board of Directors. Preliminary approval will be provided by the Board of Directors at that time.
- 64) An amount will be included in the Annual Budget as an administrative charge to maintain an adequate level of financial reserves to provide for inevitable budget inaccuracies, for emergency situations and for the delayed collection of Shareholder assessments. This levy will be between 0 and 25% depending of fiscal performance

in the fiscal year just ended and on the predicted needs and level of uncertainty of the Association in the coming year. Reserves will be maintained as specified in Articles 38.

Legal Counsel

- 65) The Board of Directors may employ Legal Counsel for such periods as may be considered to be in the best interests of the Association. Compensation for the above function shall be approved by the Board of Directors providing that it does not exceed the limit on liability specified in Article 32.

Land Purchase and Borrowing Guidelines

- 66) The Association may purchase property within Belmont Estates and the Board of Directors, on behalf of the Association, is hereby authorized to purchase and take title to land within the Estates subject to the covenants applicable to other residential land within the Estates and other terms and conditions that are usual in respect of other lands previously sold by Belmont Estates Limited in the Estates. The Board of Directors shall exercise reasonable care in such purchase and seek to pay no more than a fair market or where possible below market value for such land. The Board shall utilize available Association monies for such purchase, considering all other financial obligations of the Association in determining the extent of such available monies. The Board, in its discretion, additionally may place a mortgage on such land up to \$50,000 on fair market terms. The Board shall so far as may be necessary apply for a license under the Non-Belongers Landholding Regulations Act or otherwise for the purpose of holding such land, the Board shall advise the members of all significant terms and conditions of any purchase authorized herein.

Disbursements

- 67) All disbursements made on behalf of the Association shall be made by cheque or traceable electronic means such as bank wire. Cheques may be signed on behalf of the Association by any two members of the Board of Directors preferably the Treasurer, President or Vice President or by a professional accounting firm provided that all disbursements are first approved by the Treasurer or any two members of the Board.

All disbursements must be supported by documentation such as an invoice for services or material or other equivalent evidence of funds expended,

Sale of Property

- 68) Articles B and C of the Covenants Common to Belmont Deeds, attached here as Appendix II, requires property owners to notify Belmont Estates Limited and its

Agent within at least 30 days of a pending sale and further gives Belmont Estates Limited the right of first refusal to purchase the property.

As the successor to Belmont Estates Limited, Belmont Home Owners Association Limited, no longer requires said right of first refusal to purchase the property.

However, Belmont Home Owners Association Limited does require the following:

- a) Before a purchase and sale agreement is signed, the seller(s) must notify the prospective buyers(s), the prospective buyer's attorney, and the seller's own attorney that the Convents run with the land and must be incorporated into the buyer's deed.
- b) By no later than the date of closing of the sale, the buyer(s) must provide to Belmont Home Owners Association Limited's accounting firm (currently BDO) the buyer's contract information and other information requested below:
 - 1) Permanent address if other than the property being purchased.
 - 2) The physical address and email address to which all communications from Belmont Home Owners Association Limited should be sent.
 - 3) Active phone numbers for the new owners.
 - 4) Active e-mail addresses for the new owners.
 - 5) Written documentation that confirms that the Belmont Covenants are incorporated into the buyer's deed.

Notices

- 69) All notices served by the Association on any Shareholder shall be in writing and may be delivered personally, by electronic means or by posting it in a pre-paid letter addressed to the Shareholder, at the address provided to the Secretary of the Association.

Jurisdiction and Service of Process

- 70) The Association and Members agree:
 - a) Members agree to submit to the jurisdiction of the courts of the British Virgin Islands in respect of any dispute or difference arising out of or in connection with the agreements including the Articles of Association of Belmont HoA Limited governing their relationship with the Association and each other and further agree to waive all defences that such courts do not constitute the forum conveniens for the resolution of such disputes or differences.

- b) Members agree to appoint irrevocably any partner of BDO British Virgin Islands as his/her/its agent to accept service of any claim in respect of any dispute or difference arising out of or in connection with the agreements including the Articles of Association of Belmont HoA Limited governing their relationship with the Association and each other and shall be personally responsible for ensuring that the records at BDO British Virgin Islands concerning their contact information are kept fully up to date.

Amendment of these By-laws

- 71) These By-laws may be amended at an Annual General Meeting or at a Special Meeting called for that purpose. A minimum of thirty (30) days notice of the amendments must be given by the Board of Directors to all Shareholders. Approval of a two thirds majority of those Shareholders either attending the meeting in person or voting by proxy shall be required for approval of the amendments.