

ESTATE CHOCOLATE HOLE LANDOWNERS ASSOC., INC.

5000 ESTATE ENIGHED PMB#64
ST. JOHN, VI 00830

Minutes of Annual Meeting

Meeting held on **March 24, 2011** at Giffit Hill School at 7 pm.

Establish Quorum: 40% of eligible voting members needed=88
Proxies and Members represented in person 91

President, Larry Boxerman welcomed those in attendance.

Approval of Minutes from 2010 Annual Meeting: Copies were mailed to all members as well as posted on the website. Larry asked if there were any comments or questions about those minutes. There were none.

Motion: BJ Harris to accept minutes without changes, with 2nd by Andy Arnold.
Motion Passed.

Introduction to Officers and Directors by Larry Boxerman:

President's report. Larry gave an overview of the agenda for the meeting and reports to be given by various members of the board as well as a brief talk about what the board had accomplished in the last year.

Landowner actions will be reported on by Larry - all of which have been settled with the exception of one.

He also introduced the new people who have agreed to serve on the board in the upcoming year, Susan Stair (East), Martin Fryer (West) and Larry Best (north).

There was a question about rules regarding the Secretary position being combined with that of Treasurer. This was actually a combined position in ECHLA for many years, and was only split off because there were very good eligible persons available to be Secretary. There is no legal conflict to having the 2 positions be served by one person.

Finally, Larry announced Andy Arnold's retirement, effective tonight, and thanked him for his lengthy and productive service to ECHLA most recently as Vice-President, and as President for several years before that. There was a round of applause from those present showing appreciation to Andy for his always prompt & courteous response to issues as they arose during his time on the Board.

Treasurer's Report: Presented by Paula Lambert, Treasurer and it is attached.

Many old past due accounts have been collected recently. Total income of \$210,785 and expenses of \$119,259 for the fiscal year resulted in a surplus of over \$91,000. The Budget for the coming year was also presented. There was some discussion of the monies used for general operations that are set aside for road work. The result of the raise in dues and the special legal assessment helped to create that surplus and that trend going forward will help the operating fund to be self-sufficient and repay the road funds. Also going forward there is one legal issue that has so far cost the association over \$30,000 which will be discussed later. ECHLA prevailed in the action, and since the other party did not remove the obstacle from the road which they had agreed to do in mediation, the court

ordered the owner to reimburse ECHLA for all legal costs and the demolition also approved to be done by ECHLA.

There were a few other questions which were answered by Larry or other board members. Someone brought up the issue of opening the mouth of the salt water pond at Chocolate Hole, and the derelict boats on the beach from the storms last fall. These involve CZM and DPNR permits etc.

MOTION: to accept Treasurer's Report by Lisa Durgin, 2nd Andy Arnold. Motion PASSED

Ongoing Business:

Delinquent accounts: Paula said that many old large delinquent accounts (several of them over \$2000) were collected last year as well as an additional \$15,000 alone collected between the end of the fiscal year and the date of the meeting. She was very encouraged at the result of the efforts to collect on these and expects to continue that trend going forward.

Weather Issues: Kathy McLaughlin reported on the fact that there were two major storms that affected Chocolate Hole, in the amounts of rain, as well as the beached boats. Larry described the fact that in the first storm, Earl, those boats with safer moorings left Chocolate Hole. However for Otto, the NPS decided not to open Hurricane Hole and most boat owners strengthened their moorings & remained. The next morning, with the exception of two boats, those that chose to stay all ended up on the beach. The effort to remove those boats has been ongoing. Several have been removed but one large barge blocking the channel into the salt pond and one yacht on the beach remain.

Pond Bay Club: Andy Arnold reported that the project is idle, there has been a foreclosure by the bank and there are no prospective buyers. A receivership has been set up and has sold off assets, secured all the buildings and provided security. Association Attorney Nancy D'Anna explained that the litigation filed by ECHLA is against the owners, First American Development Group, the bank WestLB and the other lien holders. At the time the suit was filed there was no receiver in place. Now that there is a receiver in place the question was raised whether ECHLA should sue the receiver for things like the road paving etc that are part of the agreement that is the basis for the suit. That agreement runs with the land, so whoever owns the property is responsible for fulfilling it.

She mentioned the point that the agreement was put in place in exchange for ECHLA agreeing to allow PBC to use 3 residential lots for parking (commercial use). That agreement and the parking were included in the permit. Without the parking, the permit to First American could not have been issued.

Also, paving and repairs of Chocolate East Rd which became necessary because of damage done during the construction needs to be done. Where would ECHLA request the reimbursement for those costs? The general thought is the receiver, who apparently has a lot of money. This receivership is a very recent development so Nancy will need to look into that.

Landowner Actions: All but one of these actions has been completed and these were settled through successful mediation, with each owner agreeing to ECHLA's requirements. In the one ongoing issue, ECHLA filed suit in Superior Court and was

ruled the prevailing party. In sum, because the owners had refused to remove the column and wall, ECHLA was awarded both legal fees and the right to do the demolition with those fees to be reimbursed by the owner. The costs to ECHLA for legal fees and demolition were over \$27,000, which we are submitting to the Court for approval.

By way of background, Larry explained the process saying that 3 years ago committees from each Chocolate Hole area had done a very detailed first-hand survey of all properties and recorded their status related to encroachments and distilled them into the most egregious and dangerous versus those that were not. That resulted in the actions taken, and in most cases the owners taking down the objectionable obstructions. Larry noted that for the first time, a severe violation of the covenants and restrictions was taken to court and the decision by the Virgin Islands Superior Court set a precedent confirming that ECHLA's covenants and restrictions were in fact enforceable.

Question was asked as to why the wall on Croton Rd which is also encroaching is not being addressed in the same way. Nancy D'Anna explained the concept of "Latches". The issue of the wall on Croton road cannot be revisited due to the fact the board at the time was unable to convince the membership to take legal action against those owners. Now, too much time has passed and the opportunity to take legal action has lapsed.

The more recent obstacles were identified by the board, presented to the membership at the annual meetings and the members voted for the board to go forward and to enforce the covenants. These particular encroachments were taken to the legal level because of the dangers they posed and possible liability to the association. They were addressed in a timely manner. Other encroachments have been noted, that are not as dangerous, and a license recorded with the Recorder of Deeds office to include every lot in Chocolate Hole subdivision. These other obstructions may or may not be required to be removed, however, the license gives notice that they exist and if and when ECHLA deems them to pose a danger or needs them to be removed, ECHLA will proceed to ask the owners to do so.

There was a member at this point who expressed his appreciation that the board has been actively looking out for the interest of the members.

Legal advisory committee: Kevyn Salzberg reported about forming the legal advisory committee which was voted on at last year's annual meeting. The committee members must be in good standing, and must be in support of the existing Covenants and Restrictions. She sent an email which resulted in a very small number of volunteers, (3) some of whom are not in good standing. The board has been working on bringing the existing C & R's into the 21st Century, since the original documents were written back in the 1960's by the developer, Massac.

Nancy D'Anna has already done quite a bit of research to put together a draft of these and they have been worked on for over 3 years. The C & R documents include our Deeds, the Articles of Incorporation, the Building Code and the By Laws. They are only being updated, not completely re-written. The objective is to make them friendlier and more understandable and relevant to the times. The draft that Nancy has put together needs to be read, and ideas brought to the table to update, modify or remove individual elements in each document.

Once the committee has completed its work, and the board and Nancy have reviewed and approved it, then it will be presented to the entire membership for an up or down vote. It was asked that the board give membership a 30 day time period to review before voting.

Property tax issue: Lisa Durgin reported on the most recent court ruling that the tax bills for 2006-2009 will be issued at the level of 1998 rates, and after that the new rates from the revaluation will take effect. The judge threw out the case of the St John Unity Day Group as moot since the initial case brought against the VI Government was settled. The 2006 Revised Bills and the 2007 bills have been issued and are due this year. The 2008 bills will be issued before the end of the year.

Website update: Abby Schnell-O'Connell. The project has basically been on hold for the last year due to lack of funding. The webmasters have given us a proposal. The board wants to go forward with it and will work it into the budget to get it up and running. Also, Paula asked that anyone with changes in their contact information please advise her of those. And to anyone who has an AOL email address please be advised that those emails have been coming back as undeliverable. Apparently AOL thinks these are SPAM. It would be helpful perhaps, to get a new email address with gmail.com or some other address and send those to us.

The meeting broke into Road Caucuses at this point:

Road Assessments determined in caucuses: EAST \$300, WEST \$500, NORTH \$410

New Business: There was a question of whether ECHLA could or should negate our agreement on the 3 residential lots owned by PBC due to their non-completion of the obligations in the agreement. Nancy D'Anna explained that ECHLA can do that, but asked if it is in our best interests to do that? The project can be re-drawn to include the parking somewhere else, and they can just build 6 villas on the 3 lots which would be more density than the neighborhood wants. And it is not a simple matter to rescind the agreement. At this point we have a vested interest in pursuing them to perform or pay us the value of what they were supposed to do.

Elections of Directors and Officers: Larry read the slate:

President Larry Boxerman,

Vice-President, Kevyn Salzberg,

Secretary/Treasurer, Paula Lambert

North Directors: Larry Best, Bruce Munro, Earl Thomas

West Directors: Lisa Durgin, Abby Schnell-O'Connell, Martin Fryer

East Directors: Kathy McLaughlin, Dan McElwee, Susan Stair

There was no discussion. Miles Stair made MOTION to accept the Slate as presented, 2nd by Andy Arnold. MOTION Passed.

There being no further business the meeting was adjourned.

Respectfully Submitted,

Paula Lambert, Secretary