

ESTATE CHOCOLATE HOLE LANDOWNERS ASSOC., INC.

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

Minutes of Annual Meeting

Meeting held on March 30, 2012 at The Giffit Hill School Great Room at 7 pm.

Establish Quorum: 40% of eligible voting members needed=90
Proxies and Members represented in person 91

NOTE: There did not appear at first to be a quorum, but a few of those in attendance had not signed in. Once they did a quorum was established. This occurred later in the meeting, so the voting on the minutes and Treasurer's report actually took place later in the meeting.

President, Larry Boxerman welcomed those in attendance.

Approval of Minutes from the 2011 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. There was discussion about doing a vote via email however, later in the meeting it turned out there was a quorum and by acclamation there was a **Motion by Miles Stair and 2nd Andy Arnold to accept the Minutes which passed unanimously.**

Introduction to Directors and Officers by Larry Boxerman:

President's report: Larry gave an overview of the agenda for the meeting. He explained about the work being done on the Covenants and Restrictions, and talked about the ongoing landowner actions, Pond Bay Club and the Beach clean-up.

Treasurer's Report: Presented by Paula Lambert, Treasurer. See the attached budget. Many old past due accounts have been collected recently. Total income was \$132,461 and expenses of \$158,695 for the fiscal year. The Budget for the coming year was also presented. There was some discussion of the large legal expense once again last year and the question as to why it was not budgeted high enough. The suggestion from the floor was that for 2012-2013 the legal expense budget should be a larger figure. Paula explained that the budget is being presented to be discussed and other than the legal fees everything else is fairly straightforward. It was agreed to increase the line item for legal fees to a higher figure. Also it was pointed out that approximately \$30,000 in legal fees is yet to be reimbursed to ECHLA by the owners of Villa St John as the judge had decreed. We are still waiting for the judge to actually write that up.

Going forward, one of the items being inserted in the updated Covenants and Restriction documents is that legal fees will be paid by the losers in any dispute between ECHLA and property owners. As of now, there is no provision for that, so even though ECHLA prevailed in all the cases, only one is being compelled to pay the fees due to the fact that the owners did not comply with the mediation agreement they signed.

There is also a spur road parcel that is owned by ECHLA on the Maria Bluff section in the West area which is only used by one property owner. At that owner's request, ECHLA is selling the spur road once all of the roads are finally deeded over from Massac's Estate to ECHLA and recorded. That will bring in an additional \$20,000 in income.

Ongoing Business:

Delinquent accounts: Paula said that many old large delinquent accounts (several of them over \$2000) were collected last year as well \$3,374 collected between the end of the fiscal year and the date of the meeting. As of the end of the fiscal year, the total outstanding is \$91,038. Of that amount \$61,674 is chronic non-payers, one of which is over \$17,000 and we have filed a complaint with the Small Claims Court, which has a limit of \$10,000, against the landowners. Of the \$17,000 quite a bit is interest, and even with it being \$10,000 it still would pay all the back dues and assessments along with additional interest. We have been placed on the docket several times but something has come up at the court 3 times now, so it has been put off again until May 11, 2012. One time it was because the judge actually lives in Chocolate Hole and he had to recuse himself and it was too late to line up another judge.

Building Committee: Larry Boxerman is at this point the Committee. He received 3 sets of plans during the year all of which were in good order and have been approved. There was a question about a grave on one property in Chocolate Hole West. Ralf Boulon was buried on his property after the family asked for and received special permission from the VI Government. The question had to do with our Covenants and Restrictions about allowing burial on land. Attorney D'Anna said she did not recall our having any restrictions.

Landowner Actions:

VILLA ST JOHN: As mentioned in the budget discussion above, ECHLA was ruled the prevailing party by the Superior Court and we have recently requested a response on the status of the payment.

LOT 501: When this lot was first sold, it was determined that there is not road to the parcel. The Right of Way (ROW) belongs to ECHLA and goes through the pond and mangroves that are behind Hart Bay. The present owner requested permits to put in a driveway and DPNR and CZM are in discussion with ECHLA over whether they can do that. We hired a surveyor to get a clear idea of where the ROW lies and have provided that to DPNR as a part of their review.

Lot 469: The owner has submitted a permit request and plans for an additional building to DPNR that would be as large as the existing villa. This is the same owner that we took action against because he built a third floor lower level on his first villa in direct conflict with our building code. ECHLA prevailed and he was ordered to build up the floor and fill in the windows so that the room would not be habitable and the structure became two story, and he was fined \$10,000 by DPNR. The plans for another villa on the same property is being challenged by ECHLA before any construction activity is allowed. subdivided the lot against the ECHLA Covenants. An action has been filed against him

to stop the subdivision of his land into two parcels for the proposed new building as well as the construction of the new villa and revert the illegal room back to being only for storage and not habitation.

Convenant and Restrictions Update Project: Kevyn Salzberg is directing the updating of our C &R documents which 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 D'Anna created has been read and worked on by the Board, and suggested wording changes have been included. A few inconsistencies were found that need to be cleared up. It is almost ready for review by the legal committee. Nancy D'Anna gave a bit of the history of how the original documents evolved and why they need to be re-done. The goal is to have a coherent, consistent and concise set of documents.

Once the board and Nancy have reviewed and approved it, then it will be presented to the legal committee, and then it will be posted to our website for all members to look at it. Any suggestions which come from the membership at large will be considered and if appropriate worked into the documents. After that it will be mailed out to the entire membership for an up or down vote. The membership will have a 30 day time period to review before voting.

Pond Bay Club dispute: For several years we have been working on action regarding the developers because of the agreement which is in place between them and ECHLA which came about from their purchase of 3 residential lots which they wanted to use as part of the development. The agreement has not been completed on their part and there is a value to those things, including the creation of a parking area at Chocolate Hole beach, road maintenance on Chocolate East Rd etc. Nancy D'Anna explained the concept of "servitude" which is a promise to do something in a legal pact, and in exchange for something of value. They did not complete their part of this agreement.

The bank now owns the property and their lawyers disagree that they owe ECHLA anything. For example, ECHLA has paid for road work on the East Road so part of our suit is that they have to pay back those costs. We are waiting for the judge to read and review Nancy's argument.

The property has been foreclosed and now will go to Marshall sale. Our agreement existed before the mortgage between First American Development Group (Pond Bay Club) and WestBankLB. Our stance is that the agreement runs with the property and the foreclosure does not negate that agreement.

The costs involved in the legal action for this and other actions were discussed at some length.

Chocolate Hole Beach Cleanup: Andy Arnold headed up the effort to remove the large boat that had been blocking the salt pond behind Chocolate Hole Bay. We had been told FEMA funds would be made available since it was part of a hurricane and the territory was granted emergency status. Those funds never materialized and the local government finally gave ECHLA permits to remove the boat and to open the channel between the bay and the pond. The boat that was clogging the channel was abandoned by its owner, and the government would not help so Andy just got it done.

There was some discussion of why the channel was re-opened, and Andy explained it is supposed to be open, as it is a salt water pond and needs to have the inflow and outflow of water.

The meeting broke into Road Caucuses at this point:

Road Assessments determined in caucuses: EAST \$400, WEST \$500, NORTH \$360

New Business: The only new business was that Great Cruz Bay Association has approached ECHLA with the idea of sharing the costs to pave some of the common road areas. We just do not have money to do that and have declined to participate.

It was at this point that it was determined that several people had not signed in and once they did, it was confirmed that a quorum was present , therefore the minutes and treasurer's report were approved. Motion was made by Miles Stair Andy Arnold, 2nd.

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

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 Slate at presented, 2nd by Andy Arnold. MOTION Passed unanimously.**

There being no further business the meeting was adjourned at 9 pm.
Respectfully Submitted,

Paula Lambert, Secretary