

Dear Fellow Members of the HOA:

Since the beginning of 2020, PSI has been rebuilding a world class golf course and developing its properties in the Apes Hill Development using the trade style Apes Hill Club, or now perhaps the Apes Hill Barbados Golf Resort and Community (collectively the “Apes Hill Club”).

During that time PSI has produced sales materials for its properties and an application for membership in the Apes Hill Club which in essence is an application for a license from PSI to play golf on its golf course and use its clubhouse and other amenities when and if developed by PSI (“Membership in the Apes Hill Club”).

The Board of the Society believes that becoming a Member of the Apes Hill Club, is like checking into the Hotel California. Once you check in, you can’t check out! It’s also a bad investment if you don’t play golf or if you don’t want to share in the losses of PSI.

As President of the Society, I suggest that you ask and have answered by the directors of PSI, the following questions before you consider becoming a Member of the Apes Hill Club:

- (1) What is the estimated annual cost of Membership in the Apes Hill Club now and over the next five years and how have those costs been determined?**
- (2) What are the rules and regulations that govern Membership in the Apes Hill Club?**
- (3) If I become a Member of the Apes Hill Club:**
 - (a) Will it be claimed by PSI and its successors and assigns that I and my successors in title can’t thereafter terminate that Membership?**
 - (b) If I attempt to sell my property in the Apes Hill Development will the proposed purchaser also have to pay the initiation fee, annual dues, and assessments of PSI?**
 - (c) Have I agreed that the directors of the HOA are appointed by PSI (“PSI Appointed Directors”) and not elected by the Members of the HOA?**
 - (d) Have I agreed that PSI Appointed Directors have fiduciary duties only to PSI and not to the HOA and all its Members?**
 - (e) Have I agreed that the Rules of the HOA approved by PSI Appointed Directors, including those attempting to make all Members of the HOA also Members of the Apes Hill Club, are valid and enforceable?**

Here are some additional points you may also wish to consider:

- (1) The HOA is now controlled by PSI through PSI Appointed Directors and not by its Members.**
- (2) You have no ownership interest in PSI and no control over its operation and management. You will only have a license to play golf on the PSI golf course and use its amenities when developed upon terms and conditions established by PSI.**

(3) PSI, not the Members of the HOA, determines the dues and assessments that are charged by the HOA to its Members which include the initiation fees, dues, and assessments of PSI to Members of the Apes Hill Club.

(4) If all fees, dues and assessments of the HOA and PSI are not paid by a Member of the HOA, those charges become a lien on the property of the HOA Member, which must be paid or otherwise released.

(5) If PSI is unable to pay its demand obligations to RBC Royal Bank (Barbados) Limited (“Bank”) and defaults on those first mortgage obligations, the Bank will appoint a receiver to manage the business of PSI, collect monies that are due and owing PSI and assert, as provided in the mortgage documents, that the Bank has the power to appoint the directors of the HOA and thus the power to enforce the outstanding liens on the properties of the HOA Members held by the HOA, for the benefit of the Bank.

You might also wish to consider the history of the Apes Hill Club in the hope that that history will not be repeated because Members of the HOA have not acted to protect their own property interests in the Apes Hill Development, have not asserted their rights as Members of the HOA and accepted Membership in the Apes Hill Club on terms and conditions proposed by PSI. In other words, you might now want to consider taking steps to ensure that deja vu does not happen all over again in the Apes Hill Development.

In 2006 Sir Charles O Williams (“COW”) began the development of a World Class Golf Community in the Apes Hill Development which he called the Apes Hill Club. He set up a corporation called Apes Hill Development SRL (“SRL”) as the owner, developer and operator of the Apes Hill Club and the HOA to, amongst other things, regulate that development, accept ownership of the Common Property held by SRL for the benefit of HOA Members, without charge, after the last lot owned by SRL in the Apes Hill Development had been sold, maintain the Common Property, and provide trash removal, pest control and security for the Members of the HOA.

Also, in 2006 the incorporator of HOA appointed three First Directors for the HOA in its Articles of Incorporation and thereafter the First Directors approved the Bylaws and the Rules of the HOA to govern its affairs. The First Directors had fiduciary duties only to SRL and not to the HOA and all its Members. The First Directors could appoint successor First Directors if they wished. If there were no First Directors in office, then the Members of the HOA could elect the Board of Directors of the HOA who had fiduciary duties to the HOA and all its Members. SRL never had the power to appoint any directors for the HOA and no Member of the HOA was ever required to join the Apes Hill Club which was owned and operated by SRL.

By the beginning of 2019, SRL had sold over 125 lots and villas in the Apes Hill Development. In accordance with the covenants and restrictions running with the lands in the Apes Hill Development, each of the new owners automatically became a Member of the HOA. COW was then the only First Director still in office. SRL was in financial distress and unable to pay its obligations. COW was no longer willing to continue to fund the operating losses of SRL. SRL had already defaulted on the payment of its mortgage obligations to a bank and the bank foreclosed its mortgage.

In the beginning of 2020, all SRL properties in the Apes Hill Development were sold to PSI. COW resigned as a First Director of the HOA without appointing any successor First Directors. PSI took title to the SRL properties subject to the covenants and restrictions running with the lands in the Apes Hill Development including the obligation to transfer title to the Common Property without charge to the HOA upon the sale of all SRL properties in the Apes Hill Development. Nevertheless, PSI did not transfer title to the Common Property to the HOA, appointed, without authority to do so, the PSI Appointed Directors and commenced the reconstruction, development and/ or sale of former SRL properties in the Apes Hill Development.

Since early 2020, PSI has operated the HOA through the PSI Appointed Directors as if they had the same authorities that belonged only to First Directors and has failed to allow the Members of the HOA to elect its Board of Directors. Since the PSI Appointed Directors are not First Directors, if they act on behalf of the HOA, they act with fiduciary duties to the HOA and all members of the HOA and in so doing, PSI Appointed Directors must act without conflicts of interest.

In 2021 the conflicted PSI Appointed Directors violated their fiduciary duties to the HOA and all its Members by approving Rules for the HOA that attempted, amongst other things, to make all Members of the HOA dues paying "Members of the Apes Hill Club" and to relieve the PSI Appointed Directors of their fiduciary duties to the HOA and all its Members.

In 2022 two of the conflicted PSI Appointed Directors also violated their fiduciary duties to the HOA and all its Members when they executed on behalf of PSI, a BD\$40,000,000 first mortgage lien on all properties of PSI in the Apes Hill Development, including the Common Property and any outstanding obligations the Members of the HOA may have to PSI, to secure PSI's demand obligations to the Bank.

We are now on notice that:

- (1) The HOA is operated by PSI through PSI Appointed Directors without any transparency and without any accountability to the Members of the HOA.
- (2) PSI Appointed Directors have approved Rules for the HOA that attempt to make all Members of the HOA, Members of the Apes Hill Club.
- (3) PSI has incurred BD\$40,000,000 in demand obligations to the Bank secured by a first mortgage lien on all PSI properties in the Apes Hill Development including the Common Property that should have been transferred to the HOA in 2020 and any obligations the Members of the HOA may have to PSI.
- (4) PSI appears to be incurring significant additional liabilities for the construction of villas and the reconstruction and development of the club house and the other amenities that are far from completion and may prove to be an unaffordable extravagance especially if Membership in the Apes Hill Club is on the terms and conditions proposed by PSI.
- (5) One of the known shareholders of PSI, has assured the Members of the HOA that they will have to share in the operating losses of the Apes Hill Club.

We do not know:

- (1) The names of all PSI shareholders.

(2) The current financial condition of PSI including its outstanding unsecured obligations to trade creditors and purchasers of villas now under construction.

(3) If PSI has the capital and human resources to successfully own, develop and operate a world class golf resort and community.

(4) The terms and conditions of any agreements that may have been made between the HOA and PSI, including but not limited to agreements pertaining to the collection of Apes Hill Club initiation fees, dues and assessments from the Members of the HOA and the sharing of PSI losses.

(5) If the shareholders of PSI will provide PSI with any additional required capital or cover its losses.

The Directors of the Society believe that we now have no choice but to commence litigation to protect our property interests in the Apes Hill Development and our rights as Members of the HOA. Please contact me if you disagree our decision at: directors@apeshillbenevolentsocietyinc.com

Yours faithfully,

Paul Lamb

President