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February 16, 2021

The Honorable Judge Peter Messitte
United State District Court, District of Maryland, Southern Division
6500 Cherrywood Lane, Suite 475A
Greenbelt, Md 20770
301-344-0632

RE: *In re Sanctuary Belize Litigation*, No. 18-cv-3309-PJM (D. Md.)
Redress Plan Objections and Comments

Dear Judge Messitte,

We are opposed to adoption of The Consumer Redress Plan, as submitted by the FTC. As titled lot owners of two lots in "New Sanctuary", we have received the proposed Reserve Sanctuary Belize-Consumer Redress Plan, hereinafter referred to as The Plan, from the appointed Receiver and as submitted by Jonathan Cohen, Counsel to Plaintiff Federal Trade Commission. After careful review, it fails to address either unique situation we face, one on each of our two lots, as further described below. In addition, The Plan also:

(1).....fails to treat paid-up and/or cash buyers equally with those buying a lot on time. It includes both principle and interest paid, or to be paid, along with a 35% discount in the calculation of the "Deceptive Sellers Price",
(2)..... gives no consideration for the length of time a lot buyer has owned a lot and had funds committed to the project. A Buyer of 2 weeks, with only a minimal down payment committed, is treated the same as a Buyer who paid in full 15 years ago. Extended exposure to risk, and the time-value of money is not considered, and
(3).....unrealistically requires lot owners to make a commitment decision to either "opt in or out"... without giving them all the facts. Specifically, governing documents, including the (recently revised) Restrictive Covenants, Conditions, and Easements (RCC&Es), the (revised) Articles of Association, and others are not made available. Processes including purposes and limits on assessments, the role of the Home Owners Association(HOA) and its jurisdiction to control development activities, HOA membership, HOA roles and dues, architectural directives and decisions, the HOA decision appeal process-if any, and other issues are all left undefined. Further, the role and process of the Sittee River Wildlife Reserve is not defined nor addressed. These (revised) documents are required and must be made available to lot owners before any informed and intelligent decision can be made, and
(4).....fails to list and/or define the use of New Sanctuary amenities, either to be constructed by and/or maintained by the new developer, vs those promised by the defendant when the initial decision to purchase a lot was made. In addition, there is no mention of the private island, its status, management, amenities, or its development in The Plan. Is it still available to lot owners? Is it still private? Is it still to be developed, as in the defendants plan?

These essential facts, and others, all play a major role in any lot owners ability to make an informed and intelligent decision to "opt in or out". Without these facts, making an intelligent, informed decision is, at best, a real shot in the dark. The Plan needs significant revision before approval.

Regarding our two, specific issues... Taking the initiative, I have written numerous times to both the FTC (initially on 2Dec2018), and to the Receiver (initially on 21July2019) to ensure they were aware of our lot issues, and to ensure these issues would be properly addressed in any proposed resolution plan. In addition, there have been multiple telephone conversations with both agencies. Yet The Plan does not address either condition.

We have been lot owners in Sanctuary Bay/Belize/The Reserve/New Sanctuary since just shortly after it opened, when we bought our first lot, Estate lot S-22, now identified as Lot S-187, in early 2006. That lot is fully paid for, as shown at Attachment 1, and we obtained a clear, properly registered Title -in our name- for that lot in 2006. A copy of that Title is at Attachment 2. In 2010 we were made aware that a waterfront lot, separated from the canal by only a stretch of "common ground", was available. We are avid boaters, have owned our 43' monohull sailboat

since 1998, and saw it as an opportunity to have our boat next to our (future) home. We negotiated both a deal on the lot and an easement to the canal, and bought it. During that negotiation, the defendant offered to buy back our original lot, commenting that they already had an eager buyer. They offered, and we agreed to, a 30-year Contract with monthly payments to us; a copy is at Attachment 3. I specifically made it a condition of the sale, and the defendant agreed, that there was to be no tree clearing or construction on the lot until after the Contract was satisfied and the Title had transferred. Unfortunately, that language was not included in the Contract,... and I let it slip by, trusting the defendant. And although the defendant has demonstrated a terrible repayment record, with some 82% of his payments late-ranging from a few days to as much as 6 months late- the Contract was current when the receiver action occurred. The Contract balance remaining, per the Amortization Schedule, is \$102,755.

Issue 1. Estate Lot S22, or S187 (New lot number System)

The initial "eager buyer" fell through, but the lot was resold, as we discovered later, to Mr and Mrs Tim Gagne, of Vancouver, BC, Canada. These new buyers, without checking or verifying, or gaining any clearance from us (the actual Title holder), cleared the lot and built a home on the lot. We accidentally "discovered" that construction on a drive by during a 2014 SanctuaryBelize tour we attended. When challenged the defendant denied it was our lot, then refused to identify the new buyers to us. We did, eventually, learn their identity, and I sought out Mr. Gagne and informed him of the circumstances. After a couple of years of exchanging emails, Mr Gagne informed me he was attempting to convince the defendant to change the existing Contracts, to have the defendant pay us the difference owed, and to allow Mr Gagne to just pay us directly, thereby giving Mr Gagne a clear path to title. While the defendant never contacted us, we informed Mr Gagne we would favor such a move. The defendant, however, was apparently unwilling and that effort ended when the Receiver action occurred.

Of note is the Gagne's Purchase Contract. We obtained a copy some months prior to the Receiver action, and a copy is included at Attachment 4. In it, the defendant represented the Title to be "free and clear of all encumbrances", and cites the Vendor's(defendants) root Title; it makes no mention of our Title (Paragraphs 8 and 9, Attachment 4)! Further, based on amortization schedules, the apparent difference between what the defendant (now the Receiver)owes us and what Mr Gagne owes to the defendant is, I believe, to be approximately \$29,706 (\$102,755 owed to us vs an estimated \$73,049 owed on Mr Gagne's Purchase contract).

Our Contract is unsatisfied and is now in excess of 27 months arrears; it is dormant and defunct. Mr Gagne has since completed his home on that lot, continues to enjoy the unfettered use of that home and lot, and has even offered it for rent (income), all without monthly payments. We, on the other hand, have been left empty. But we still own the lot! We have the duly registered and unencumbered Title, in our name (Attachment 2). Our Sale Contract is over 27 months arrears, is unsatisfied, and defunct! This lot is not a lot the Receiver has any jurisdiction over, is it not a lot they can reassign or control; we own it. And although I've initiated multiple exchanges with the both the Receiver and the FTC, making them aware of this issue and trying to ensure this situation would be addressed in any proposed plan....it is not. Neither the FTC nor the Receiver has answered my specific question as to where our situation is addressed in The Plan, or what the resolution of this issue would be per their Plan.

We chose that lot, specifically, back in 2006 when there were still many, many lots to choose from. We selected it over several others primarily because of its location (walking distance to the marina), it's orientation, it's open exposure to local breezes, and it's view of the water. We have always only wanted one lot, and one lot is as much as we want; we are not particularly interested in another lot, as may be assigned by the Receiver via some here-to-fore undetermined process and/or based on some unknown criteria. Of course, our preference is to have our existing Contract satisfied. And once satisfied we will willingly transfer the Title. Conversely, until our Contract is satisfied we will not transfer Title, and will thereby continue our ownership of the lot and everything on it. Under the circumstances, we are willing to consider some renegotiation, on a limited basis. We'd very much prefer not to engage in a costly legal battle to foreclose on the lot.

Issue 2. Estate Lot S94 or S032(New lot numbering system)

As mentioned, we bought Estate Lot S94 in 2010; the Purchase Agreement is at Attachment 5. It is a little larger than our previous lot, but most importantly it is nearly on the water--separated from the canal by only a strip on "common ground". After purchase, we completed negotiation on an "easement" with the defendant, documented

at Attachment 6, giving us a walking path from our lot to the canal and a tract of ground bordering the canal for a slip and boat house. We had an in-ground, concrete 25'x45' slip built in 2013, but ran into difficulty with the boat house; it is not yet built. In 2017 I determined our informal easement was not adequate, initiated a renegotiation of that easement with the defendant, hired a Belizean lawyer, had the redefined easement surveyed, staked, and a legal description written, and had it properly registered with the Belizean government. That properly and duly registered easement is now included on our Title, Attachment 7. An easement map and legal description is at Attachment 8. The language in The Plan, however, declares all parts of the development that are not residential lots belong to the Receiver; it gives the Receiver control over all other grounds. There is no mention of prior easements, or if/how they be honored. The Plan, under Section VIII, Development Requirements, paragraph E., page 46, cites that... "All parts of Sanctuary Belize, New Sanctuary, or Kanantik that are not residential lots owned by Consumers...belong to the Receiver (or Receiver's Assignee) for the benefit of the Receivership."

Again, this issue has been raised to both the FTC and to the Receiver. The FTC claims it to be a Receiver decision, and the Receiver does not address it. We have already had the slip built, at our considerable expense. Without the easement, we lose ready access to, and use of, the boat slip. Further, we would lose the right to build a boat house next to that slip, a project we've already spend several thousand dollars on with a Belizean architect. In short, if the easement is not recognized and honored, we lose our access to the canal. A simple clause added to the Plan, recognizing existing easements, would resolve the issue.

Request you direct the FTC, to include language in The Plan to resolve both of these issues; specifically:

Issue 1,.....Estate Lot S22, in order of preference:

(a) Direct that our 2010 Contract, for the Sale of Lot S22 back to the developer, be paid in full by the Receiver. Once paid, we would immediately transfer title to the Receiver, clearing a path for Mr Gagne, now with his home built on the lot, a clear path to obtain Title after satisfying his remaining obligation to the Receiver, or

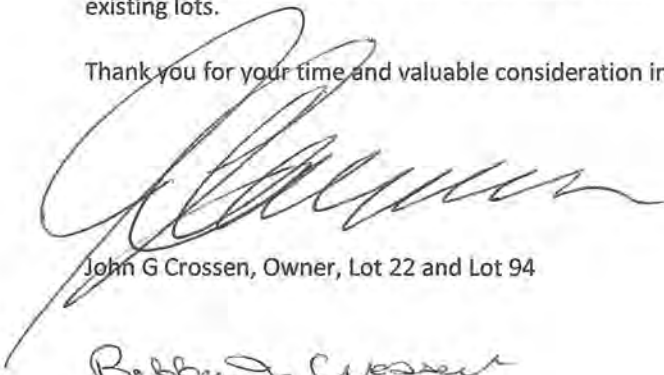
(b) Direct the Receiver to pay us the approximately \$29,700 difference owed between our Sales Contract and Mr Gagne's Purchase Contract, a legitimate and valid obligation made by the defendant, and allow Mr Gagne to complete his existing Purchase Contract by paying us directly, not the Receiver. We would agree to transfer Title as soon as that Contract is satisfied, or

(c) Direct that we and Mr Gagne negotiate a new Contract between us, for an amount owed between the \$102,755 still owed to us and the approximate \$73,049 owed by Mr Gagne. That Contract would cancel any debt Mr Gagne would have to the Receiver, he would pay us directly, providing him a clear path to title. A Court-selected third party, someone familiar with the history and background of the development but unrelated to either party, paid for by the Receiver, should be appointed as an arbitrator if negotiations to determine a fair and equitable financial settlement, in either term, principle or interest rate, reach a stalemate and need a binding third party decision. Further, the Receiver should be advised that he does not enjoy any jurisdiction over this action.

Issue 2,Estate Lot S94

Direct the FTC to include language to recognize and honor any existing, duly registered easements on existing lots.

Thank you for your time and valuable consideration in resolution of these issues.



John G Crossen, Owner, Lot 22 and Lot 94



Bobby J Crossen, Owner, Lot 22 and Lot 94

~~Attachments:~~

- ~~1. Crossen's 2010 Purchase Contract Lot 22~~
- ~~2. Crossen's 2010 Sale Contract Lot 22~~
- ~~3. Crossen's 2010 Sale Contract Lot 94~~
- ~~4. Gagne's 2010 Purchase Contract Lot 22~~
- ~~5. Crossen's 2010 Purchase Contract Lot 94~~
- ~~6. Title Map and Legal Description Lot 94~~
- ~~7. Crossen's 2010 Purchase Contract with Easement~~
- ~~8. Title Map and Legal Description Lot 22~~