

Commentary from our Treasurer, Jerry Kennedy

It seems impossible, that with the start of 2003, I will have been a member of the Casa Del Mar Board of Directors for three years and recently appointed to the position of Treasurer. These positions I find to be both challenging and rewarding in making this Resort the best in Aruba.

Every time I return to Aruba, I feel and see this in the faces and comments of not only our staff, but equally important in that of our membership which has strongly supported their Board in their actions to ever improve your Resort.

It has been an exciting time over the past year or so, to say the least, but much has been accomplished, both through the efforts of the entire Board, together with the great support of the membership. To this I say "THANKS TO ALL".

1. Just to touch briefly on a few of these achievements, I would like to bring to your attention the following: Implementation of the program to levy additional fees of 10% per month on outstanding delinquent maintenance fees. This has shown improvement in the collection of fees, not to mention the additional revenue to the Resort. These delinquent payments do have a serious impact on our cash flow balances and I am sure this will improve over time.
2. The final signing of the three agreements between Casa del Mar and Aruba Beach Club on the joint operations. This effort was more than a year in coming, through the negotiating team consisting of Arne Hagglund, Andy Osbourne and myself. This agreement will hopefully solve many of problems the existed between the two Resorts.
3. The level funding of the budgets for financial years 2002 and 2003 with no increases in Maintenance Fee.
4. The approval, by you the Members, to allow the Board to proceed with the three major projects namely, the refurbishing of the Seagull Restaurant (with new management) which has top billing, the multi-purpose building and finally the redesign of the parking facilities. As mentioned in the 2002 Convocation – ALL

THESE WITHOUT ANY SPECIAL ASSESSMENT.

Now to discuss some other financial matters which are of most importance to all of us. As most of you aware, the maintenance fee will remain the same as last year. **This makes four consecutive years with no increase.** This accomplishment is almost unheard of in the time-share industry.

The next question is how do we do it? To mention a few, once an employee vacancy arises, that position is not filled unless it is absolutely necessary and we try wherever possible to re-assign in-house personnel rather than hire new help; the new policy has assisted in the collection of our maintenance fees and compared with 2000, we are over \$175,000 better at this point; the reduction of operating expenses and at the same time, the addition to the Reserve for Major Expenditures in financial year 2001 of over \$600,000; the continued positive contribution of the Resales and Rental Department and we urge you to continue using this facility.

Your Board of Directors and Management are always looking for ways to reduce expenses without affecting the service levels you have become used to and with no major unforeseen expenses for the rest of this financial year ending October 31, 2002, the Resort should show an operational profit. We are working diligently toward this goal and therefore I might say that YOUR RESORT is in a very sound financial position.

However, all good things do not last forever. Utilities went up again effective May 1st 2002 and the Prime Minister recently announced plans for increases in alcohol, cigarettes and gasoline. With the ever-increasing costs of labor, materials and service and costs over which we have no control - such as Government increases, somewhere down the line, which I hope is a long time away, an increase will have to be introduced. It will be management and your Board of Directors to keep this at a minimum.

Finally, on behalf of the Board of Directors of the Casa del Mar I thank you all for your continued support and wish everyone the most important thing - good health.

Results of the Annual Meeting held on May 22nd 2002

A full transcript is available from the Executive Office

Agenda point 1 - Approval of the minutes of the AGM held on May 16th 2001

Votes: 962 “for”, 6 “against” and there were 38 abstentions for a total of 1006 votes.

Agenda point 2 - Approval of the Financial statements for the Cooperative Association for the fiscal year 2001

Votes: 962 “for”, 6 “against” and there were 38 abstentions for a total of 1006 votes.

Agenda point 3 - Approval of the budget for the fiscal year 2002/2003

Votes: 953 “for”, 14 “against” and there were 39 abstentions for a total of 1006 votes.

Agenda point 4 - Ratification of the agreements between Casa del Mar and Aruba Beach Club

Votes: 959 “for”, 8 “against” and there were 39 abstentions for a total of 1006 votes.

Agenda point 5 - Approval to grammatically update the By Laws and Articles of Association

Votes: 939 “for”, 17 “against” and there were 50 abstentions for a total of 1006 votes.

Agenda point 6 - Proposal to increase the Board of Directors from 5 to 7 members

Votes: 199 “for”, 762 “against” and there were 45 abstentions for a total of 1006 votes.

Agenda point 7 - Recommendation to declare the financial involvement of the Board of Directors and the Supervisory Board

Votes: 955 “for”, 12 “against” and there were 39 abstentions for a total of 1006 votes.

Agenda point 8 - Approval of special projects

Votes: 940 “for”, 20 “against” and there were 46 abstentions for a total of 1006 votes.

Correct E-mail addresses

We have noticed personal requests being placed on the Bulletin Board of our website and although these issues are handled, please note the correct email addresses so that any personal requirements can be more efficiently and promptly handled and responded to as quickly as possible.

mshipabccdm@setarnet.aw

Use this email address for Reservations, Member Relations and any operational matters for example: queries relative to the occupancy of your suite, space banking, exchanges, maintenance fees issues, other persons using your suite or any other matters and special requests.

cdmrs@setarnet.aw

This email address will put you in direct contact with the Resales and Rental Department for the renting of your suite, selling of your unit or information regarding units for purchase. Remember that this Department plays a vital role in keeping our Maintenance fees in check and we encourage you to keep supporting it.

cdmboard@yahoo.com

Use this email address to direct queries to the Board of Directors and the Supervisory Board on non-operational issues.

Bulletin Board Reinstatement

For our Members with email access, we recently converted the “Guestbook” page on our website to an updated version of the former Bulletin Board. As some of you may be aware, this facility was removed about two years ago when it was abused and used in a way that was contrary to its intention.

We trust this facility will be used for the positive and constructive purposes for which it was designed, if not, we will be forced to remove it once more.

Resort update by Aisa, our Resort Manager

We finally completed the repairs on the roof of Phases I and II. If last year we were crossing our fingers and hoping not to get any rain especially at Casa del Mar, we are now praying for some rain to test the recently repaired roof and find out if indeed we are free of leaks.

We will shortly replace the stoves in the Ambassador wing.

Thanks to your approval of the special projects, plans are progressing nicely for the refurbishing of the Seagull Restaurant which is a priority. We are simultaneously working on the plans for our multi-purpose building and a re-design of the parking facilities.

We are working on the introduction of additional "Handicapped Amenities" to be placed in the suites for the convenience of our incapacitated Members and Guests. In connection with this, we would also like to request the cooperation and understanding of all our visitors to respect the Handicapped parking facilities and do not park your vehicles at the locations reserved especially for our handicapped Members. On behalf of all our disabled members and guests, we thank you.

The latest on the island:

In April's Review we announced the visit of the

Royal Couple of Holland who were scheduled to arrive the first week of May – but due to an emergency they had to leave the island just couple of hours after their arrival. The Royal Couple overnighted at our sister Resort, Costa Linda Beach Resort. In the meantime a new date has been scheduled for their return in August 2002.

The new Minister of Justice made some changes recently to the police force and introduced a group of officers to protect the coasts of Aruba. Besides that, they have been very aggressive on land chasing illegal immigrants, drug dealers etc etc. We applaud their hard work and efforts to make of Aruba an island free of crime.

Recently, the Bushiri Hotel (well-known for its All Inclusive operations) closed its doors because of a dispute between the prospective owner and the Government. However, negotiations are taking place to resume the operations of the hotel which also houses the Aruba Hotel School.

Recently, we experienced an increase in utilities and other items which are outlined in the Treasurer's report and there are rumors of a general sales tax.

We look forward to welcoming you home soon.

Selection Committee

We are still looking for another volunteer to make up the seventh member of the Selection committee.

This committee will screen candidates for positions on the Board of Directors of the Cooperative Association, submit the most suitable persons to the Board who in turn will ask the general membership to vote for these nominees.

Potential Board Candidates

Now that we are settling down after the termination of the management agreement with Leisure Industries and chartering our own course, we would like to update the list of prospective Members who are willing to serve on the Board of Directors and continue the positive advancement of the Association.

If you are interested, please send your resume to or contact Andy Osbourne of the Supervisory Board at Casa del Mar Beach Resort, L.G. Smith Boulevard #51, Oranjestad, Aruba or by email at cdmboard@yahoo.com