

Marriott Vacation Club International of Aruba Cooperative Association

Annual Meeting

May 20, 2011

The Annual Meeting of the Marriott Vacation Club International of Aruba Cooperative Association was held on Friday, May 20, 2011, at the Aruba Marriott Resort & Stellaris Casino, Amsterdam I and II, 101 L.G. Smith Boulevard, Palm Beach, Aruba.

Present from the Board of Directors were: Frank Knox, President; Stevan Richards, Vice President; Melissa Pericolosi, Secretary/Treasurer; Anthony Lifrieri, Director; and Michael Reilly, Director

Advisors to the Board present were: Nancy Sylvester, Professional Parliamentarian; Milly Schwengle, Association's legal counsel

Present from Marriott Vacation Club® International were: Dirk Schavemaker, Senior Vice President Customer Experience; Troy Asche, Regional Vice President Customer Experience-Florida and Caribbean Region; Paul Gremel, Market Director of Finance-North American Timeshare Operations (NATO) Florida; Corey Guest, General Manager; Ricardo Vrolijk, Director of Finance; Lillian Britten, Director of Rooms Operations, and Scott Derrickson, Aruba Surf Club General Manager and Gail Sahit, Aruba Ocean Club Executive Administrative Assistant acting as Recording Secretary

Owners present were as evidenced by the sign-in sheets to be attached to the approved minutes of record.

CALL TO ORDER

Frank Knox, President, called the meeting of the Marriott Vacation Club International of Aruba Cooperative Association to order at 9:02 a.m., Eastern time.

ESTABLISHMENT OF QUORUM

Mr. Knox announced that quorum requires that 25% of voting interest be represented in person or by proxy or 5,989 shares. Quorum was met with a total 6,974 (A and B) shares represented. Mr. Knox stated that all proxies had been verified and the notarized Affidavit of Voting Proxies is on file with the Association Records.

A motion was made by Melissa Pericolosi that the list of Owners and Proxies submitted be the official list of voting members for the 2011 Annual Meeting. The motion was seconded by Steve Richards. Allan Cohen challenged the presence of quorum by stating that proxies should not count towards establishment of quorum. Mr. Knox ruled that a Quorum was present according to Bylaw Section 4.4. The motion to recognize the official list of voting members for the 2011 Annual Meeting was adopted by a vote of 6,434 For and 560 Against.

Mr. Knox stated that the majority of the voting interest present, which is the number needed to take action at this meeting, is 3,488.

ESTABLISHMENT OF MEETING RULES

Mr. Knox stated that meeting rules were distributed during registration and explained that the purpose of the meeting rules was to ensure that this meeting is run fairly and all members have equal rights that are protected during the meeting. Mr. Knox called for a motion for adopt the meeting rules.

A motion was made by Melissa Pericolosi to adopt the meeting rules as distributed. The motion was seconded by Anthony Lifrieri. Leonard Kennedy objected to having any rules that would limit an Owner to speak and an Owner should be allowed to speak as often and as much as they want.

Allan Cohen moved to amend Rule 2b) by striking '3 minutes' and inserting '10 minutes'. Also to add at the end of that Rule: "One Owner can give their time to any other Owner". The motion was seconded by Ann Petera. Mr. Knox stated that the parliamentary authority, *Robert's Rules of Order* requires a two-thirds vote for adoption of the meeting rules. The motion to the amendment the Rule failed with 588 votes For and 6,416 votes Against. The motion to adopt the rules as presented carried by a vote of 5,164 For and 494 Against.

ELECTION OF CHAIRPERSON

As outlined in 17.6 of the Articles of Association and 5.10 of the Bylaws the Annual Meeting of the Members shall be chaired by the President of the Association.

APPOINTMENT OF RECORDING SECRETARY

Mr. Knox appointed Gail Sahit, Executive Administrative Assistant, as Recording Secretary.

APPROVAL OF AGENDA

A motion was made by Melissa Pericolosi to approve the Agenda as distributed. The motion was seconded by Steve Richards. Allan Cohen moved to amend the Agenda by moving the Question and Answer Session after the Meeting to before the Adjournment of the Meeting. Leonard Kennedy seconded the motion.

The Chair pointed out that the Question and Answer session has always taken place following adjournment of the meeting and is attached to the minutes as an addendum.

The vote to amend the Agenda was 636 votes For and 6,414 votes Against. The amendment failed.

The vote on the Approval of the Agenda as presented passed with 6,428 votes For and 582 votes Against.

APPROVAL OF 2010 ANNUAL MEETING MINUTES

A motion was made by Melissa Pericolosi to approve the 2010 Annual Meeting Minutes as printed and distributed. The motion was seconded by Anthony Lifrieri. Allan Cohen moved to amend the minutes to include a sentence stating that 'Corey Guest had indicated in the meeting that he had not contacted the local newspaper regarding an advertisement placed by an "Aruba Ocean Club (AOC) Concerned Owners Group" but that he later stated in Court that he did contact Aruba Today.' The motion was seconded by Anne Petera. Corey Guest corrected. Allan Cohen's statement with the actual facts. Allan Cohen withdrew the motion to amend the Meeting Minutes. Mr. Knox called for the vote to approve the 2010 Annual Meeting Minutes as presented and the motion carried by a majority of the total votes represented at the meeting.

APPOINTMENT OF INSPECTOR OF ELECTION

Mr. Knox appointed Scott Derrickson to serve as Inspector of Election. Mr. Malcolm Wright, Aruba Ocean Club Owner and Lillian Britten, Director of Rooms Operations Aruba Ocean Club, were appointed as Tellers to assist in the vote count.

Mr. Knox called for additional nominations from the floor for the position of Member on the Board of Appeals. There being none, Mr. Knox stated the names of the candidates for the position were: John W. Lister and Stephen O. Rossetti.

Mr. Knox explained that to increase the accuracy of the vote count, ballot cards, received at registration, would be used. The Brown Ballot Card was used for votes for the first candidate John W. Lister. The Pink Ballot Card was used for Stephen O. Rossetti. Mr. Knox further stated that plurality voting applied as outlined in Article 5.3 of the Bylaws.

The Balloting for the Member of the Board of Appeals was concluded. The Tellers collected the Ballot Cards and left the room to count the Ballots.

BOARD OF DIRECTORS REPORT

Mr. Knox called on Vice President, Steve Richards, to give the Board of Directors report. Steve Richards provided a recap of the recently completed exterior renovations as well as the improvements made to the Association managed Aruba Ocean Club website, specifically the pages for “Listings of Resales” and “Wanted”.

PROPERTY MANAGEMENT REPORT

Corey Guest presented the Property Management Report. Highlights included:

- Owner Satisfaction Survey results year-to-date 2011 as compared to same time prior year are at the highest levels since the opening of the resort which clearly indicates the overwhelming majority of homeowners believe the property has moved in the right direction over the past few years and Owners are enjoying their vacation experiences:
- The resort recently received two (2) recognitions; 2011 Interval International ‘Premier Resort’ Rating and #11 on Redweek’s Top 25 Timeshare Resorts Worldwide for 2011
- Two new managers were introduced; Soraya Lessire, Front Office and Johnny Kock, Loss Prevention (Safety and Security)
- Two (2) Aruba Ocean Club associates were congratulated on being the first in Aruba to receive 100 name recognitions by Owners in the Marriott Vacation Club post-stay survey program; Wilma Benjamin, Food and Beverage and Hank Wientjes, Front Office
- In addition to the ten-year façade refurbishment, other property enhancements included additional Pool Deck Umbrellas, Wooden Bridge enhancements, a new Activities Tent, installation of a Bocce Ball Court, enhanced Beach Showers, new Pool and Beach Towels, re-painted Planters, new Elevator Cab Interiors and Interior Hallway and Door Signage

FINANCIAL REPORT

Melissa Pericolosi, Treasurer and Ricardo Vrolijk presented the financial report. Highlights included:

- It was mentioned that until a few years ago the resort had never had an owner-based Finance Committee. The Homeowner Finance Committee Members, Joe Folisi and Jim Fanning were recognized for their continued work in seeking opportunities to save operating expenses, reduce maintenance fees without sacrificing expected services and ensuring proper budgeting for future reserve projects
- The Association finished 2010 with \$378,489.00 over budget all directly attributable to government increases in electricity, water, and diesel, despite savings in consumption by the resort
- 2011 year-to-date the Association is \$98,354.00 under budget primarily due to further savings in utility consumption; 10.28% in electric and 1.66% in water
- Concerns as the year progresses are possible removal of utility discounts by the government, increase in price of oil and government changes/rulings on timeshare tax laws.

VOTING RESULTS

Mr. Knox called on the Inspector of Election, Scott Derrickson, to give the Tellers Report. Scott Derrickson read the Tellers Report.

Candidates	Votes Received by Limited Proxy	Votes Received During Meeting	Total
John W. Lister	4,034.0	44	4,078.0
Stephen O. Rossetti	2,002.0	42	2,044.0

- John W. Lister was elected to the Board of Appeals to serve a three-year term.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Owners Leonard Kennedy, Allan Cohen and David Berg commented that they were of the opinion that the Board Members were not following the procedures as per the Board approved Expense Policy. They also requested to be informed what the details of the legal fees consist of.

A motion was made by David Berg that the Board must follow the current approved Expense Policy. The motion was seconded by Leonard Kennedy and unanimously carried.

Mr. Knox stated that an independent audit firm, PricewaterhouseCoopers, was contracted to audit the 2010 Expenses against the approved Expense Policy and that the policy was followed correctly.

A motion was made by Allan Cohen that the Board provide an uncensored statement to the Association written by Allan Cohen regarding his lawsuit against the Association. The motion was seconded by Anne Petera. The motion failed by 508 'For' and 5,140 'Against'.

Mr. Richards again stated for the record, that in order to cease the legal expenditures being incurred by the homeowners, the Association has made numerous attempts to settle over the past several years and that the Association would still consider the last offer if accepted by Mr. Cohen. After two prior court cases where the Association was taken to court and the Association prevailed, Mr. Richards stated that it is the hope of the Board that there will be no further appeals which would result in additional legal expenses to be incurred by the Association.

Owner Leonard Kennedy stated that the 2010 Board Expense Report documents he had requested in writing to view earlier this year had items other than personal information also 'blacked out'. He then later requested in writing to view the 2010 Expense Reports again as well as 2009 and 2008; in addition, he also requested to view the legal invoices paid by the Association over the past few years and invoices related to lights and artwork installed during the ten-year interior renovation by Garcia Art Glass, Inc. Mr. Kennedy stated that one day prior to the Annual Meeting he was then presented with a different 2010 Board Expense Report file which in his opinion was different than the one he viewed a few months ago as he was informed that the other one had been discarded after he had reviewed it. Mr. Guest again explained to Mr. Kennedy that the file he reviewed a few months ago was quickly put together from unclear scanned copies received from Marriott's Business Services Department in the United States as he did not have access to the records from the Director of Finance, Ricardo Vrolijk due to Mr. Vrolijk being off island at the time Mr. Kennedy originally requested to review the information. Mr. Guest again also confirmed that the only information 'blacked out' was personally identifiable information such as addresses, drivers' license numbers, credit card numbers, etc. As Mr. Kennedy provided greater advance notice this time to review various financial files, all were put together by the property Finance Team with better quality copies; the 2010 Board Expense Policy contained the same expense reports with only the same personally identifiable information 'blacked out' as the file he reviewed a few months prior.

A motion was made by Allan Cohen that requests for financial information must be provided unaltered. The motion was seconded by Leonard Kennedy and unanimously carried.

Announcement of 2012 Annual Meeting Date

Mr. Knox announced that there will be an official announcement made as to the exact date of the 2010 Annual Meeting later this fall.

ADJOURNMENT

There being no further business to come before the meeting, a motion was made by Steve Richards to adjourn the meeting. The motion was seconded by Melissa Pericolosi and unanimously carried. The meeting adjourned at 10:49 a.m., Eastern time.

Submitted by:

Approved by:

Gail Sahit, Recording Secretary

Frank Knox, Board President

Date: _____

Date: _____

These minutes are subject to approval at the 2012 Annual Meeting