



December 2011

Dear Aruba Ocean Club Owners,

I hope this letter reaches you and your family as the holiday season begins and everyone is doing well. 2010 has been another great year for the Aruba Ocean Club!

By now you have received your 2012 maintenance letter and accompanying bill and, as a result of many ongoing cost savings efforts at the property, were pleasantly surprised by only a minimum increase of 1.8%. As mentioned in that letter, despite the ever-increasing costs of doing business in Aruba, this minor increase follows a 17% decrease in maintenance from the prior two years. I very am proud to state that your current Board of Directors along with the Owner-based Finance Committee has continued to work diligently to protect your interest and investment.

With that said, I would like to update you on Aruba Ocean Club Board Officer changes. During the October 2011 Board of Director Meeting I have relinquished the Board President position and Tony Lifrieri was unanimously elected President. Steve Richards remains your Vice President and Melissa Pericolosi remains your Secretary/Treasurer. My Board Director term expires in May 2012 as I will have completed a second three-year term. The Board and I felt the election of Mr. Lifrieri would provide a beneficial transition of the president's duties.

As outgoing President and Board Director I wish to thank you all for the support and generosity that has been extended during these past six years. We have experienced numerous challenges involving both the ten-year interior and exterior renovation and related projects, special assessments related to the renovation, and individual owner litigation issues. While I know these have been trying times, I am very pleased to say we have persevered and can truly be proud of our Five-star Vacation Ownership Resort. As of this date 95.1% of Aruba Ocean Club Owners rate our home resort and their vacation experience an 8, 9 or 10 on their guest satisfaction surveys.

Your Board of Directors is now the most effective, owner driven and business-talented we have had since we opened in January 1999. I am hopeful that at the next Annual Meeting in May 2012 Mr. Lifrieri will run for a second term on the Board and remain as your President. Mr. Lifrieri is a property management executive in New York City and has been intimately involved with the rebuilding 'Ground Zero'. He has been highly engaged over the past few years as it relates to building improvement and maintenance issues. The Ocean Club is fortunate to have someone with Mr. Lifrieri's talents working as a volunteer on behalf of the ownership; I personally have the utmost confidence in his abilities and would strongly support his re-election should he decide to run for a second term.

It has been an honor and privilege to serve on your Board for the past six years, three as a Director and three as Board President. As an Owner myself, I have always worked to make sure that our investment remains sound, our property is well run, the Board and management team remain strong, we have a clear vision for the future, and most importantly, all our Owners have a memorable vacation experience! Thank you again for your support and I am looking forward to meeting you on the beach as a fellow homeowner.

Sincerely,

Frank Knox
Director