



December 2009

Dear Aruba Ocean Club Owners,

Greetings from Marriott's Aruba Ocean Club! We've had another exciting year here at your home away from home, and I would like to brief you on the latest news and significant changes that have occurred since your last operations update.

Resort Accolades

Earlier this year Marriott's Aruba Ocean Club received Interval International's 2009 Premier Resort status – this is the highest level of recognition and identifies our property “as significantly exceeding Interval's already high affiliation standards by delivering outstanding vacation experiences”. This recognition and continued focus on unparalleled customer service, coupled with newly renovated interiors, will ensure that the Aruba Ocean Club remains the same first-class property that many of you purchased years ago!

Management Staffing Update

The past year we have seen many members of the Ocean Club team grow and mature.

Hansel Pineda, our long-time Front Office Manager, has accepted the position of Housekeeping Manager. Hansel is still very visible and is now focused on ensuring the property and villa cleanliness continues to meet your expectations.

Effective February 2010, our new Front Office Manager is Desiree Bikker. Desiree presently works for the Marriott Resort as the Events Manager, overseeing weddings and local functions. Welcome Desiree!

Late last year we welcomed our new Chief Engineer, Daniel Aguirre. Daniel transferred from the neighboring Marriott Resort and the timing could not have been better as he immediately found himself immersed in the full renovation of the property. Our Engineering Supervisor, Nestor Ricaurte, 2007 Supervisor of the Year for all Marriott properties in Aruba, moved to the Surf Club in exchange for Kenneth DeVreede. Kenneth's focus is daily operations and preventive maintenance.

Services and Resort Facility Enhancements in 2009

Undoubtedly the greatest achievement has been the 10-year interior renovation to the lobby, corridors and villas. At the time of this writing, Phase I of the interior renovation was successfully completed ahead of schedule and under budget. Feedback from Owners at the weekly Owner Reception and on Guest Satisfaction Surveys has been outstanding.

Phase II of the Interior Renovation began earlier this month with the installation of all new energy-efficient GE® Profile flat black kitchen appliances. We expect all the appliances to be in place by mid-December. The remaining Phase II interior renovation items include a new bedroom desk, chair, and lamp, a lighted make-up mirror, and wireless Internet throughout the property. Owners will be able to use their laptops and mobile devices throughout the villa and balcony and stay up to date on work or current news. We expect this last part of Phase II to occur in early February 2010.

Our pre-arrival Vacation Experience program continues to evolve and improve as we redesign our pre-planning landing page so it will be easier for Owners to make reservations for local activities and restaurants, on-line shopping for food and beverage for stocking the refrigerator prior to arrival, or letting us know approximate arrival times so we can work to ensure a more speedy check-in. This pre-arrival program has been recently expanded to include all Marriott and Interval International exchange guests as well.

Marriott Vacation Club® International is pleased to offer travel insurance offering Owners the most comprehensive travel insurance and assistance available in the industry. Coverage includes unforeseen situations such as inclement weather, sickness or death, medical evacuations, lost or stolen baggage and much more! For information please visit

My-VacationClub.com.

This year, included with your check-in packet you now also receive an Activity Folder that is updated weekly with times and dates of the various activities going on around the property as well as various food and beverage promotions and happy hours.

As a result of your feedback, the hours of the Juice Bar and Ocean Café were expanded and they now open at 7:00 a.m. New menus with more variety have been introduced in both Champion's Sports Bar & Restaurant and the Pavilion Pool Bar & Grill. A Dinner Buffet Show is available on Monday evenings at the Pavilion as well as expanded happy hour times in Champions.

The Activities Department has been quite busy this year working on new and updated activities such as Thursday Movie Nights, Saturday Arts & Crafts, Yoga, Salsa Dance Classes and more.

Beginning with the Gold Season of 2010 an additional Monday check-in/check-out day has been added. This will assist our Front Desk and Housekeeping Departments to spread labor resources throughout the week and reduce the amount of part-time help and overtime on the weekends.

In an effort to minimize the number of large carts in the villa corridors, the Housekeeping team is now utilizing a new cartless housekeeping program which reduces wear and tear on the carpet and walls and provides a much cleaner look to the hallways while the Housekeepers are on the floors.

Several other small but important enhancements include a scale at the Bellstand so the Bellperson can weigh your luggage before departing; an air pump next to the towel hut to blow up floats, baby changing stations in the Pavilion and lobby bathrooms, a toy exchange box located at the towel hut, new pool chaise lounges, chairs and umbrellas with tables, additional washer and dryers in the laundry rooms, additional trash bins by the pool and beach and much more!

Cost Savings and Green Initiatives

Early this year the Board of Directors and Owner Finance Committee asked the management team to seek every possible alternative to reduce costs but not sacrifice the service standards our Owners expect. At the same time the Board asked the team to focus more on the environment and conservation. Through 2009 these initiatives have reduced daily operational expenses by more than \$250,000.

In June we eliminated the 'in-house' concierge service which saves the association more than \$45,000 annually in wages and benefits. DePalm Tours was contracted across the resort complex to provide the service and this includes an additional \$24,000 per year in rental income for the Aruba Ocean Club Association. Guest service is closely monitored across the complex and bi-monthly meetings are held with DePalm to ensure the same guest service as before the change.

By far our greatest savings this year has occurred in utilities; however this is also one of our major risk factors. Although we have been averaging a 5% reduction in consumption, utilities continue to be the greatest unknown expense factor due to the volatility of costs in Aruba.

Through these examples and others we have been able to reduce costs by over \$2,000,000 or over \$175 per unit week.

Green Initiatives – Marriott understands the role we all play in our environment and works in partnership with all our Owners to implement sustainable environmental practices, including conservation of natural resources, protection of indigenous wildlife and reducing and recycling waste wherever possible. The resort's environmental program focuses in four key areas:

- Energy and Waste Conservation
- Waste Reduction and Recycling
- Minimizing Climate Change
- Wildlife Preservation

Projects already implemented or currently underway that directly or indirectly pertain to Ocean Club include:

- Heat Exchange Enthalpy Wheel – This energy savings related project that began in Fall 2008 was finally completed earlier this Spring. Recycling Waste Air by recovering cold air from bathroom exhaust re-using cold air that is being exhausted reduces the installed air conditioner (A/C) capacity and saves energy;
- Villa Air-Conditioning – Well over half of the villas thus far have had new energy-efficient air-conditioners to replace the original units that had already surpassed their life span;
- Pool LED Lights installed during the resurfacing last year uses less electricity;
- With the pool renovation salt granules are now used to make chlorine for the pool through electric generation so no toxic chemicals are present or used;

- Water fountains in and around the pools are turned off during night hours;
- New Roof insulation was placed on the roof of the Aruba Ocean Club Building; the benefit is that the thicker layers of foam on the roof reduce heat load from the roof surface into the sixth floor;
- Grease from main kitchens (approximately 3,500 gallons per year across the resort complex) are sold locally to a company that manufactures Biodiesel to re-use for cars;
- All departments recycle paper by using both sides wherever possible as well as discarding waste paper in recycle bins for proper disposal (+/- 4,000 kilos per month across the resort complex);
- All cardboard boxes from the departments are recycled by local company (+/- 5,500 kilos per month across the resort complex);
- All glass containers from the departments are recycled by local company (+/- 2,000 kilos per month across the resort complex);
- Light motion detectors are installed in electrical and laundry rooms;
- Compact fluorescent energy efficient light bulbs are used throughout the property;
- 50% of the fertilizers and insecticides used are organic products and bio-degradable garbage bags are used when available locally;
- Water pumps for domestic water use energy saving controls that reduce the speed for electrical reduction;
- Water flow restriction devices have been installed;
- Smoke-free environment throughout the resort with only limited outdoor designated smoke areas;
- Villa Key Cards are made of 50% recycled material;
- Villa Pens are made of 75% recycled material;
- Villa Notepads are made with recycled paper;
- Installation of new energy-efficient small and large kitchen appliances

Future Enhancements

As mentioned above, Phase I of the interior renovation is complete and the first part of Phase II will be completed in early December with the final remaining piece of Phase II in early February.

The final piece of the ten-year resort renovation, which began in August 2008 with the pool resurfacing followed by the roof replacement and then interior redo, will include the façade refurbishment. Just like any home which requires periodic renovation and upgrades, so too does Ocean Club. The resealing and painting of the exterior façade is expected to begin in early February and continue through August 2010. There will be scaffolding around 18 balconies at a time (note that those villas will be out of order) for a period of seven days before the scaffolding is moved to the next set of balconies. There may be some noise during the daytime hours as balcony railings or sliding glass doors are removed and replaced; but we do expect Owner inconvenience to be minimal.

Over the past year Marriott Vacation Club has worked with the Board of Directors and Owner-based Finance Committee on these projects to make certain that the projects are completed to standards expected by our Owners and within the expected time schedules. The Board has successfully garnered the support and financial commitment of Marriott Vacation Club which has helped reduce total 2009 and 2010 Maintenance Fees by approximately \$292 per unit week.

Financial Overview

The audit of the Association 2008 financial statements is complete and copies of the full audit report are available. If you wish to view a copy, please go to the Aruba Ocean Club page on My-VacationClub.com or contact the resort's Executive Administrative Assistant, Gail Sahit at gail.mahabeer@marriotthotels.com, and she will forward a copy of the audit to you. We received a clean report letter from the auditors, which is the highest level of assurance they offer.

During the September 2009 Annual Board Meeting the 2010 Maintenance Fees were approved by the Board of Directors. As a result of the decrease in utilities and other key items, 2010 Maintenance Fees (Operating and Reserve Fees) will be \$1,089.40 for a one-bedroom and \$1,458.18 for a two-bedroom. This translates into a decrease in Annual Maintenance Fee of 13.33% and 14.10% respectively.

Solicitation

All Owners are reminded to be courteous of others while they are on vacation. As outlined in Exhibit 3 of the Bylaws the Rules & Regulations state "There shall be no solicitation by any person anywhere on the Resort Property for any cause, charity or purpose whatsoever, unless specifically authorized in writing by the Board of Directors or Managing Agent..." We ask all Owners to respect the Association Bylaws.

Special Meeting of the Members

A Special Meeting of the members of Marriott Vacation Club of Aruba Cooperative Association will be held on January 16, 2010. The purpose of the meeting is to vote on a proposed Bylaw Amendment to determine if a majority of the Owners want their personal home mailing and e-mail address made available to the public (including Aruba Ocean Club Owners and non-Owners) in the Association Shareholder Register. Please vote on the proposed amendment by completing the Limited Proxy sent with the Notice of Special Meeting.

Opportunity to Serve on the Board of Directors

At the next Annual Meeting in May 2010, Owners will elect two (2) members to serve on the Board of Directors for a three-year term. Any Owner desiring to become a candidate for election to the Board of Directors must complete and submit a [Volunteer Form](#) to the Association. Expenses incurred for travel by Directors for official Association business are reimbursed by the Association. Please take the time to complete the form and support the Association. If you are receiving this newsletter by postal mail, you may request a form by contacting Gail Sahit at gail.mahabeer@marriotthotels or calling 011-297-520-6089.

Looking Forward to 2010

This year has brought many great surprises and best of all is hearing from you and receiving feedback on how we can continually improve the property. Even through the difficulty of the renovation, I am excited to see that year-to-date, 89% of our Owners give the property top marks on Overall Satisfaction. This is truly exceptional and we appreciate your support.

Please make sure to keep up-to-date on all the latest happenings at the resort by visiting the Ocean Club page on My-VacationClub.com as well as the Association's website, arubaoceanclub.com.

Wishing you all the best this holiday season,

Corey Guest

General Manager