



CONVOCAATION

In compliance with Article 15 of the Articles of Association, you are hereby cordially invited to attend the Annual General Meeting of Members of the Aruba Beach Club Cooperative Association which will be held in the ABC Members Lounge on April 7th, 2009 at 10:00 a.m. local time.

In the event a quorum is not present or represented by proxy at this meeting, it will be adjourned until April 21st, 2009 at 10:00 a.m. local time without further notice. (Experience tells us that a quorum is never achieved at the first meeting, so we can assume the adjourned date will be the date that decisions will be made.)



Chairman



Secretary

Date Mailed: February 20, 2009

PROXY BALLOT INSTRUCTIONS

Use the attached Proxy Ballot to cast your vote. Fill in the required information and mail.

POSTAGE IS REQUIRED.

Your Member Number and your Number of Votes are printed in the upper right hand corner of the address label of this Convocation. **PLEASE TRANSFER THIS INFORMATION TO THE APPROPRIATE SECTION OF THE PROXY BALLOT.** You **MUST** sign your ballot exactly the way your name is shown on the mailing label.

Our contracted accounting firm, have been enlisted to receive, hold and count all Proxies. Please make sure that you mail it out in time for it to be available at the General Meeting on **April 7th, 2009**, or at the adjournment thereof, to insure all shares as designated on the proxy ballot are voted.

**IN ORDER TO REDUCE EXPENSES 42 CENTS POSTAGE IS REQUIRED
TO MAIL YOUR BALLOT. THANK YOU**

AGENDA

AGENDA - ANNUAL GENERAL MEETING

1. Approval of the Minutes of the previous Members Meeting held on April 29, 2008
2. Approval of the audited Financial Statements of the Aruba Beach Club Cooperative Association for the fiscal year ended October 31, 2008
3. Ratification of the Budget approved by the Board for the forthcoming fiscal year, November 1, 2009 through October 31, 2010
4. Change in the Articles of Association
5. Election of Board Members

FOOTNOTE TO AGENDA POINT 1 MINUTES

ANNUAL GENERAL MEETING OF MEMBERS

**Held April 29, 2008 at 10:00 AM in
The Aruba Beach Club Members Lounge**

Present:

Dr. Lewis Gilmore	-	Chairman
Louis Mintzer	-	Treasurer
Richard Titone	-	Secretary
Sanford Cooper	-	Board Member
Farida Mansur	-	General Manager
Gilmar Croes	-	Proxy Holder, Deloitte
C. Mayrene		
Marugg-Helmeyer	-	Candidate - notary of notary-office mr H.M. Rodriguez-Taekema
Mr. Chris Lejuez	-	Attorney at Law

Members:

Olga Van Der Harst	Guenter Metsch	Stewart Blanton	Sandra Mintzer
Max Paul	Richard Falvey	David Berg	Susan Titone
Betty Paul	Patricia Mc Walters	Marie Koopman	Karen Salamone
Barry Burke	Jerry Nicastro	David Howe	Paul Salamone
Diane Burke	Gayle Gwiazda	Ken Owen	Carolyn Lewis
Ted Daniels	Paul Gwiazda Joel Dolan	Cheryl Haley	Linda Walsh
Jane Daniels	Patricia Jensen	Robert Valle	Paul Bellavance
Rudolph Macchi	Leonard Mac Gregor	Joseph Morgan	Dolly Bellavance
Rosalee Nicastro	Lucy Iannucci	Robert Watson	Mary Ellen Morgan
Maureen Manfredi	Cliff Harris	Ann Watson	George Galas
Frank Manfredi	John Evans	John Richard	John Agri
Steven Pare	Charlie Merrifield	Sue Richard	Catherine Agre
Jonathan Lazar	Diane Merrifield	John Cunningham	Alan Platt
Doreen Longtin	Jacqueline Sabre	Marilyn Corkum	Susan Blanton
Dorothy Kuhs	Lawrence Vollaro	Leo Lancellotti	Al Young
Kathleen Bryan	Pauli Cross-Knapp	Gary Litsinberger	Russell Bookard
Robert T. Graham, Jr.	Gilbert Knapp III	Koula Litsinberger	Debra Bookard
Robert Buckbee	Miriam Vincent	Edward Hayes	
Carl Evans	Marie Vaillancourt	Edward Boggis	

At 10:00 am, April 29th, 2008 Dr. Lewis Gilmore started the meeting by welcoming all present and introducing the board members, Mrs. Farida Mansur as General Manager, Mrs. Mayrène Marugg-Helmeyer as candidate notary, and the two representatives of Deloitte & Touche as proxy-holders.

The following motions were brought forward, approved and accepted:

1. APPROVAL OF MINUTES OF PREVIOUS MEMBERS' MEETING HELD ON APRIL 24TH, 2007:

Motion by Paul Gwiazda, seconded by Marilyn Corkum, to waive the reading of the Minutes, and put to vote:
Agenda point number 1 is approved.
Votes: For 55.830; Against 4.453

2. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS OF ARUBA BEACH CLUB COOPERATIVE ASSOCIATION COVERING THE FISCAL YEAR ENDED OCTOBER 31, 2007:

Motion by Mr. Gunther Metsch, seconded by Sandy Mintzer for approval of the Financial Statements of the ABCCA covering the Fiscal Year ended October 31, 2007. There being no questions asked, Dr. Lewis Gilmore called for a vote:
Agenda point number 2 is passed
Votes: For 53.968; Against 6.258

3. RATIFICATION OF THE BUDGET APPROVED BY THE BOARD FOR THE FORTHCOMING FISCAL YEAR NOVEMBER 1, 2008 THROUGH OCTOBER 31, 2009:

Motion by Richard Falvey, seconded by Miriam Vincent to approve the Budget for the Fiscal Year November 1, 2008 through October 31, 2009.
Agenda point number 3 is approved.
Votes: For: 52.659; Against: 7.068

4. CHANGE TO ARTICLE 25, REGISTRATION OF MEMBERSHIP – PARA 2:

Remove that portion of the Article that reads; "and may make a copy or extract of same, any cost thereof to be borne by such member." Reason: To protect the privacy of the individual members, avoid the sale or commercial use of this list and prevent any potential identity theft.
Motion by Jonathan Lazar, seconded by Al Young to approve the change to Article 25 of the Articles of Association.
Agenda point number 4 is approved
Votes: For 32.268; Against: 29.834

5. QUESTION TO MEMBERS: Do you want your e-mail address released to another member who requests it for any reason?

Motion by Gilbert Knapp, seconded by Maureen Manfredi to put to vote:
YES votes: 27.290 NO votes: 34.128 Motion is defeated

ANY OTHER BUSINESS THAT MAY BE LEGALLY BROUGHT FORWARD:

- Communication between the Board and Members - Concern expressed to the Board that Communication needs to be improved in light of the controversy created by the handling of the proposed sale of wks this past December. The Board agreed and will make better use of the website and broadcast e-mails to keep membership better informed.
- Quantity of Week/Units – Approximately 200 weeks sold, 40 still available. However the Board has yet to determine whether any further sales will be allowed as a buffer may be required to provide flexibility for management, e.g. maintenance or other situations that may arise from time to time.
- Member suggested Highlighting "Club owned weeks" on the resale listings and on the website to easily distinguish between Club weeks and member owned resales.
- Regarding the procedure how one runs for the Board and to follow the by-laws as written; it was suggested that a committee of members be appointed to review applications of members interested in serving on the Board, and that all members recommended by said committee be given exposure via the Newsletter and/or website; to provide proper consideration to vote for new members ("new blood") on the Board.
- Suggested a committee of members to review the amount of (current) Boardmembers; the election time/period and the term-limits regarding the duration of a Board-member, and make recommendations for changes to provide better representation of the members.
- Explanation given by Mr. Chris Lejuez of some articles, that is: article 28 section 1 in combination with the special procedure of article 15 section 2 regarding the overrule of the Board by the membership; article 18 item 3 in combination with article 15 sections 2, 3 and 4 regarding the discharge of the Board-members; which need to be followed in any instance.
- Suggestion to review the Articles and By-Laws (which were originally written in Dutch more than 30 years ago); and the importance of article 14; whether each week/unit should give 1 vote.
- Explanation requested and given by the Board concerning the high costs of the renovation/refurbishing project and it's overrun; all expenditures receiving the proper approval by the Board, some projects that came along e.g. balcony railings, the portico, the lobby, the new Cayenna roof extension project, and although these were all projects included under the renovation, they were separate projects with the proper approval and funding authority.
- Some concern expressed over a lack of communications with the Board via e-mail/letters, to which the Board asked for specifics in order to properly respond to any communications that may have been missed.
- Request for handicap chickee, one has been designated; restrooms on beach not feasible; railing for safety by steps and shower at beach will be placed.

- Recommended to place the Financial Statement (and/or any other important sensitive information) on the website with "members-only click" where the information posted can only be seen and read by the members.
- Concern was expressed over the activity hours and the lack of workers/helpers in Reservations and Resale office. The Board explained, that is a Management decision due to the absence of the Reservations co-ordinator with a temporary replacement; and extremely heavy workload created by the sale of weeks, to give the two employees ample uninterrupted time to be able to complete the administration end of their work.
- Receipt of illegal e-mails sent by a group of members and the carefulness that has to be taken when being informed or warned against such e-mails.
- Rules of regulation of chickees preferable to be printed on the information sheet in the room directory.
- Playground to be upgraded; to make the place more kid-friendly and kid-tolerant.

All points taken under consideration by Management and the Board and also requested by Board to put any other/ further recommendations/requests in writing.

Member offered his thanks to the Board for all the good things they have done, applauded by all present. The Board accepted and remarked that they have more good things yet to be done.

There being no further questions, Dr. Gilmore thanked all members in attendance. Motion by Ken Owen to adjourn, seconded by Susan Titone, all in favor. The meeting was adjourned at approx 11:15 AM.

Signed:

Dr. Lewis Gilmore
Chairman

Signed:

Richard Titone
Secretary

Signed:

C. Mayrene A. Marugg-Helmeyer
Candidate-notary

Independent Auditor's report

We have audited the accompanying consolidated financial statements of Aruba Beach Club Cooperative Association, established in Aruba, which comprise the balance sheet as of October 31, 2008, the profit and loss account, and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility

Management of the company is responsible for the preparation and fair presentation of the financial statements. Management has elected to prepare the financial statements in accordance with International Financial Reporting Standards. Management's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated financial position of Aruba Beach Club Cooperative Association as at October 31, 2008, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Oranjestad, Aruba, January 23, 2009

Deloitte

Ref.: Anthony G. Croes RA /Gilmar C. Croes CPA

FOOTNOTE TO AGENDA POINT 2
CONSOLIDATED BALANCE SHEET
(Stated in United States Dollars)

ASSETS	October 31st,	
	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and cash equivalents	3,210,284	2,783,122
Receivables	1,178,284	1,185,826
Inventory weeks for sale	55,821	187,532
Other Inventory	<u>134,858</u>	<u>127,161</u>
	<u>4,579,247</u>	<u>4,283,641</u>
Property and equipment	<u>4,684,831</u>	<u>5,047,602</u>
	<u>9,264,078</u>	<u>9,331,243</u>
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable and accruals	541,405	588,328
Maintenance fees billed in advance	2,957,645	2,884,308
Short-term deferred special assessments	<u>399,477</u>	<u>399,477</u>
	<u>3,898,527</u>	<u>3,872,113</u>
Non-Current Liabilities		
Deferred special assessment	<u>2,122,220</u>	<u>2,521,697</u>
Members' Equity		
Retained earnings	2,937,432	2,682,747
Net result for the year	<u>305,899</u>	<u>254,686</u>
	<u>3,243,331</u>	<u>2,937,433</u>
	<u>9,264,078</u>	<u>9,331,243</u>

For a better understanding of the Association's financial position as of October 31, 2008, the condensed consolidated balance sheet as of October 31, 2008 should be read in conjunction with the consolidated financial statements from which the accompanying condensed balance sheet was derived.

CONSOLIDATED INCOME STATEMENT
(STATED IN UNITED STATES DOLLARS)

	Year ended October 31,	
	2008	2007
Income		
Maintenance fees	2,936,049	2,689,208
Income on resale of weeks	609,172	586,177
Income from rental program	84,857	85,228
Concession income	236,022	242,972
Release on special assessment	399,477	199,738
Other income	445,227	496,735
Total Income	4,710,804	4,300,058
 Expenses		
Front desk and reservations	219,924	219,716
Member relations	96,835	101,153
Housekeeping & laundry	728,476	674,922
Maintenance buildings, grounds & pools	576,458	639,346
Security	196,823	190,815
Utilities	851,241	637,625
Administrative & general	554,452	551,278
Taxes & insurance	101,735	104,108
Telephone expenses	51,822	48,432
Resale expenses	37,971	39,632
Management expenses	170,241	194,722
Depreciation expenses	818,927	498,623
Settlement Charge	-	145,000
	4,404,905	4,045,372
 Result before profit tax	305,899	254,686
Profit tax	-	-
Net result for the year	305,899	254,686

For a better understanding of the Association's financial position as of October 31, 2008, the condensed consolidated balance sheet as of October 31, 2008 should be read in conjunction with the consolidated financial statements from which the accompanying condensed balance sheet were derived.

FOOTNOTE TO AGENDA POINT 3
Aruba Beach Club Cooperative Association
ARUBA BEACH CLUB PROPOSED BUDGET FOR 2009/2010 FISCAL YEAR

	PROPOSED BUDGET	APPROVED BUDGET
	<u>2009/2010</u>	<u>2008/2009</u>
Income:		
Maintenance fees	\$ 2,956,563	\$ 2,906,143
Penalty Income	45,000	40,000
Interest	50,000	50,000
Telephone income	30,000	45,000
Income on resale of weeks	105,000	203,000
Income from rental program	85,000	75,000
Concession income	215,000	215,000
Energy Surcharge & No Show	382,000	258,640
Release on Special Assessment	399,480	399,480
Other income	39,026	19,000
Total income	<u>\$ 4,307,069</u>	<u>\$ 4,211,263</u>
Expenses:		
Front desk and Reservations	246,850	241,701
Member relations	60,000	69,300
Housekeeping & Laundry	723,758	749,099
Maintenance	467,681	558,158 (1)
Security, Grounds & Pool	351,709	353,307 (1)
Utilities	699,000	653,000
Administrative & general	557,950	565,375
Taxes & insurance	125,600	128,600
Telephone expenses	45,000	45,000
Resale expenses	42,000	40,000
Management expenses	199,526	197,277
Depreciation - other	219,482	170,930
Depreciation - renovation	568,513	439,516
Total expense	<u>4,307,069</u>	<u>4,211,263</u>
Result before profit tax	<u>0</u>	<u>0</u>
Profit tax	<u>0</u>	<u>0</u>
Net result for the year	<u><u>0</u></u>	<u><u>0</u></u>

Notes:

(1) Reclassification of expenses in the amount of \$65,000 from Maintenance to Security, Grounds & Pool in the 2008/2009 budget

(2) No increase in Maintenance Fees. Maintenance Fees remain at: Superior - \$405, Deluxe - \$480, and Royal - \$560

FOOTNOTE TO AGENDA POINT 4

NOTE: This change was placed on the 2008 Convocation and was approved by a majority of the membership, but did not receive the required 2/3rds majority vote required to pass. The Board is re-submitting this change for a re-vote at the request of the majority membership.

Re Article 25, Registration of Membership-Para 2, reads; "All members may inspect the register (Member list) during normal business hours, and may make a copy or extract of same, any cost thereof to be borne by such member".

Remove that portion of the Article that reads; "and may make a copy or extract of same, any cost thereof to be born by such member."

Reason: To protect the privacy of the individual members, avoid the sale or commercial use of this list and prevent any potential identity theft. If this change fails to receive the required number of votes the Board will not be held responsible for what individual members who obtain this list will do with it.

THE BOARD STRONGLY RECOMMENDS A VOTE "FOR" VOTE THIS POINT

FOOTNOTE TO AGANDA POINT 5

As a result of the expiration of the term of office of Board Member Richard Titone – CPIM, the retirement of Board Member Dr. Lewis Gilmore and the death of Board Member Sanford Cooper there will be three (3) openings on the Board of the Association. The Following Six (6) candidates are submitted for consideration and vote by the membership.

1. Richard (Rick) Titone, CPIM - For the past five years Rick has served as Secretary to the Board and Editor of the ABC Newsletter. As such he prepared the Agendas for 15 Board Meetings and the Action Item Lists that resulted from those meetings. Prepared, distributed and maintained a record of the Minutes of those meetings. Prepared and arranged for the printing and mailing of 5 annual Convocation notices. Written, edited and arranged for the printing and distribution of 15 editions of the ABC Newsletter. Provided savings and revenue to the club through the Newsletter. Answered all correspondence received from members. Maintained all records relating to Club business.

THE NOMINATING COMMITTEE RECOMMENDS A VOTE FOR THIS CANDIDATE

2. Anthony (Tony) Perrino - Mr. Perrino was appointed by the Board to serve the remainder of the term of deceased Board Member Sanford (Sandy) Cooper. He is seeking his own complete 5 year term. Mr. Perrino is an automobile dealer residing in Salem, New Hampshire. He has been in business for over 45 years. He currently serves as President of the Sergeants Improvement Club, a community association that offers charitable help to the needy of the community, along with scholarship funds. Mr. Perrino has served on the City Council and the Municipal Liquor Board, along with the Board of Directors of a large fraternal organization. He has been married for 39 years and has two grown children and one grandchild.

THE NOMINATING COMMITTEE RECOMMENDS A VOTE FOR THIS CANDIDATE

3. Mr. Ronald Parolisi - Mr. Parolisi is an American citizen currently residing in Aruba. He is a retired Captain of the City of Haverhill, MA Police Department, having served there for over 31 years. During his time there he served as Commander of the Patrol Division, Detective Division and Internal Affairs. He has a thorough and complete knowledge of all aspects of security and investigative methods. Mr. Parolisi holds both Bachelors and Masters Degrees from New Hampshire University in Criminal Justice. He can be of great assistance to the Club in the areas of crime prevention and security and can serve as the Board's representative in Aruba.

THE NOMINATING COMMITTEE RECOMMENDS A VOTE FOR THIS CANDIDATE

4. Mr. David Berg - Mr. Berg is currently the owner and General Operations Manager of the Red Apple Campgrounds and RV Park located in Kennebunkport, Maine. He serves as a Director on the Board of the Maine Campground Owners Association, as well as the Northeast Campground Owners Association. He has served on the State of Maine Tourism Association, as well as on a school board, zoning board, assessment board and law enforcement commission. From 1978 to 1988 he served as Secretary/Treasurer and Business Agent for the local Teamsters Union.

5. Mr. Allen Ross - Mr. Ross is currently an Account Executive performing duties in sales and service in the insurance industry. He previously had his own agency. He has worked with numerous insurance companies in several states. Mr. Ross currently resides in Virginia. Prior to moving there he held the position of Mayor of the Borough of Derry, PA. and Secretary to a fraternal organization.

6. Mr. Douglas Loux - Mr. Loux is recently retired from the U. S. Government Social Security Administration offices in Holyoke, MA. where he served for 34 years in a variety of positions. He holds a Bachelors degree in Political Science and a Masters Degree in Business Administration from the University of Massachusetts. He serves on the local Library Board and as a Director of his church.

PROXY BALLOT ATTACHED- POSTAGE REQUIRED