

## Independent Auditor's report

We have audited the accompanying consolidated balance sheet of Aruba Beach Club Cooperative Association as of October 31, 2006 and the related consolidated statements of income, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Association's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing as promulgated by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aruba Beach Club Cooperative Association as of October 31, 2006 and the results of its operations and its cash flows for the year ended in accordance with International Finance Reporting Standards as promulgated by the International Accounting Standards Board.

Oranjestad, Aruba, December 21, 2006  
**Deloitte & Touche** Accountants, N.V.  
Ref.: A.G. Croes RA

### FOOTNOTE TO AGENDA POINT 2 BALANCE SHEETS (Stated in United States Dollars)

<b>ASSETS</b>	October 31st <u>2006</u>	<u>2005</u>
<b>Current Assets</b>		
Cash and cash equivalents	2,428,836	3,108,704
Receivables	929,745	1,298,770
Inventory weeks for sale	279,499	235,416
Other Inventory	152,325	91,075
	<u>3,790,405</u>	<u>4,733,965</u>
<b>Property and equipment</b>	<u>5,182,600</u>	<u>4,370,993</u>
	<u>8,973,005</u>	<u>9,104,958</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Maintenance fees billed in advance	2,695,849	2,508,303
Accounts payable and accruals	488,589	538,259
	<u>3,184,438</u>	<u>3,046,562</u>
<b>Members' Equity</b>		
Special assessment	3,244,367	3,224,295
Retained earnings	2,834,101	2,746,153
Net result for the year	(289,901)	87,948
	<u>5,788,567</u>	<u>6,058,396</u>
	<u>8,973,005</u>	<u>9,104,958</u>

For a better understanding of the Association's financial position as of October 31, 2006, the condensed consolidated balance sheet as of October 31, 2006 should be read in conjunction with the consolidated financial statements from which the accompanying condensed balance sheet was derived.