

# Caribbean Developments (Antigua) Ltd.

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January 28, 2014

Jolly Harbour Property Owners  
Jolly Harbour Community  
Antigua

Dear Property Owner:

The New Year is always a time for reflection and we at CDAL find ourselves looking back on the events of 2013 with mixed feelings. In part we are thankful for the passage of a challenging year and obstacles overcome; reflective on the many changes undergone; mindful of the challenges still lying ahead for CDAL and the broader community; concerned for the many matters still outstanding; and hopeful that longstanding issues are being addressed.

Last year was a period of profound change for CDAL and the Jolly Harbour community. With a change in leadership both at the level of the Board with the appointment of Albert Hartog as Chairman, and in the management of CDAL with the appointment of Ronald Maginley; the restructure of CDAL's operations began in earnest. Designed with a view of bringing operational costs in line with actual income, our restructuring measures included but was not limited to the following;

- The complete separation of the management of community services from the development company
- The appointment of new management at CDAL
- The outsourcing of the following functions;
  - Security
  - Equipment repairs
- The closure of the following departments
  - Public relations
  - Mechanic shop
- The consolidation of operations and the closure of some offices
- The retrenchment of 54 members of staff
- An end to private jobs to individual properties (these were loss-making operations)
- The start of legal measures and the continuation of other measures to collect outstanding community charge (this measure will be aggressively pursued during 2014)

Measures still to be completed include the following;

- Finalising a new APUA agreement for the supply of utilities to Jolly Harbour (this would result in significant savings to all consumers)
- The completion of the 2012 Community Charge Audit currently with Grant Thornton
- The completion and issue of a budget for 2014 which is well advanced

- An update on community charge defaulters and active litigation
- Further consolidation of operations in the following departments
  - General and Administration
  - Maintenance
  - Warehouse
  - Grounds
- Further outsourcing
- The relocation of CDAL offices to the Commercial Centre
- The switch of all public lighting to energy saving LED's with a projected drop in electricity consumption of 43%
- Replacement of sewage grinders and pumps to more energy efficient models (current consumption exceeds EC\$800,000.00 per annum)

While the above measures represent some of our accomplishments and remaining challenges, we would like to believe that the measures already put in place have begun to show demonstrable results. Among our accomplishments during 2013 the following was completed;

- Community Charge audits for 2008, 2009, 2010 and 2011 was published and distributed to all property owners
- Several independent reports related to Jolly Harbour's infrastructure were published including electrical infrastructure, sea walls, roads and sewage treatment plant among others
- The constitution of the Advisory Board – a grouping of 8 homeowner representatives (4 from the executive of JHHA and 4 from the wider community); plus both directors of CDAL
- Disclosure to representatives of the Advisory Board on financial matters related to Community Charge and defaulting property accounts
- Legal actions with homeowners, both current and pending
- The in-depth discussions on any and all matters related to the community

These measures represent CDAL's effort at greater transparency and accountability in matters related to the collection and expenditure of Community Charge on community expenses. Representing the start of a process, we continue to work closely with the Advisory Board on matters pertaining to the community as we build a foundation based on meaningful dialogue and the discussion of factors affecting all of us at Jolly Harbour.

On behalf of the Board of CDAL, I wish to extend our thanks to the members of the Advisory Board who have given of their time, energy and expertise in tackling what have been very difficult issues. While the contribution of all members of the Advisory Board has been of equal importance, I wish to thank Annette Carey and Jim Omand for their passion and their honesty in speaking openly about the feelings of the community on areas pertaining to Jolly Harbour. Their and the Advisory Board's views, while posing challenges to us, allowed for meaningful discussion between the parties.

Perhaps the most significant accomplishment has been the constructive dialogue that has occurred between the community and CDAL through the Advisory Board. Representing the start of constructive though difficult dialogue, this new approach is far different from that of other members of the community who prefer confrontation at the expense of the broader community.

Aggression, confrontation and a kamikaze mentality, does nothing to fix the community's problems. Constructive dialogue; a willingness to deal with facts over fiction; openness, transparency and honesty in dialogue; are all critical components in fixing our problems and building a foundation for mutual cooperation.

As the relationship between CDAL and the community is being placed on a sound footing, it is important that we clarify our position in relation to ongoing dialogue between us and the community. In this regard, it is our position that persons who do not pay community charge can have no say in the discussion about the future. For the record, persons who choose to pay no community charge while benefitting from those who do pay, represent part of what is wrong with Jolly Harbour. While efforts have been made in the past to engage spokespersons for these individuals, the intransience and hostility encountered made constructive dialog impossible.

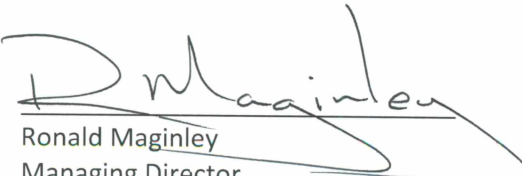
We are aware that the JHHA will shortly be electing a new executive. While we respect the choices that you make, it has been brought to our attention that some members seeking election have paid no Community Charge during 2013 and/or are locked in a legal dispute with CDAL over Community Charges. These persons are not welcome at the discussion table and there can be no constructive dialogue with persons who are determined to destroy Jolly Harbour. Persons who do not pay community charge will be aggressively pursued in 2014 and we reserve the right to pursue all legal and moral remedies open to us.

On a more positive note, we are optimistic about the coming year and look to build on the new relationship between us and the community. While we would have liked to move forward faster with our reforms, complexities involved with ongoing legal proceedings in The Netherlands, complicate matters despite our best efforts. Our Chairman remains in close dialog with the authorities on proposed measures for greater involvement of property owners in the decision making process, and look forward to their continued and active support of our efforts.

We also take this opportunity to reiterate that we take our legal and moral responsibilities to both CDAL and the Community seriously, and are mindfully of our obligations to all suppliers and customers who support this community on an ongoing basis. The irresponsible actions advocated by some in this community would seem to ignore that Jolly Harbour is part of Antigua and Barbuda and is governed by laws, obligations and responsibilities to this beautiful island that we all call home.

While we can do nothing about the mistakes of the past, we can learn from our experiences and, while seeking to make what was wrong right, build on the positive. We remain open for discussion on all matters and look forward to constructive decision making about our community with you in the coming year.

Yours sincerely,



Ronald Maginley  
Managing Director