A Report to the Boards of Directors

Turks & Caicos Islands Strata Corporation #49
Turks & Caicos Islands Strata Corporation #66
Alexandra Resort Timeshare Owners' Association

The Relationship with Millennium Management Ltd.

Schedule of Contents

General Overview

This Report is tendered under the terms of my engagement, as set out in a letter Dated January 7, 2015, and approved by the Boards of Directors of all three bodies. A copy of that letter is included in this Report, and it is an unsigned copy only because the signed copy has been scanned several times in the process of securing the necessary signatures, and has become very difficult to read.

In the final "Summary and Opinions" section of this Report, I have set out the Summary points to coincide with the terms of reference as set out in my engagement.

<u>Ownership of various Lots within the Alexandra Resort</u>

Extracts from Turks & Caicos Islands Land Registry

The official Land Registry of the Turks and Caicos Islands shows the property known generally as "The Alexandra Resort" to comprise the following official lots, and attached is a copy of the relevant portion of the Official Plan, with the various lots highlighted thereon

- Strata 49 owns Lot 120, comprising 1.85 acres, and highlighted in orange on the attached Plan
- Strata 66 owns Lot 157, comprising 1.19 acres, and highlighted in blue on the attached Plan
- Washington Misick owns Lots 166 and 168, comprising 2.85 acres and .99 acres respectively, and highlighted in green on the attached Plan
- The remaining lots within the pink-bordered area delineating the Resort are owned as follows:
  Lot 160 (.12 acres) by Alexandra Resort & Villas Ltd.
  Lot 156 (1.0 acres), Lot 158 (.2 acres), Lot 159 (5.08 acres) and Lot 167 (1.0 acres) by Alexandra Properties Ltd.

The Official Land Registry shows no charges registered against either of Lot 120 or Lot 157, and both are subject to the usual easements for access over land that are customary in the Turks & Caicos Islands, in the absence of road allowances between the properties.

Location of Buildings & New (2015) Sewage Treatment Plant

In accordance with my instructions, I have commissioned the preparation of a Site Plan, to show exactly where on the subject lots the major buildings of the Resort are situated, as well as the location of the new sewage plant installed in 2015. This Site Plan has been prepared by Mr. Patrick Hayward of Benchmark Survey Associates, a licenced and highly-respected surveying firm in the Turks & Caicos Islands.

- *A copy of this current Site Plan is attached, on which the location of the new sewage treatment plant is highlighted in green. That treatment plant is clearly shown to be within the boundaries of Lot 159, and outside the boundaries of Lot 120, meaning that it is located entirely on property owned by Alexandra Properties Ltd.*

- *Furthermore, the Site Plan clearly indicates that each building of the Resort, regardless of ownership, is situated entirely within the boundaries of the Lot on which it has been constructed, and there are no instances in which a building straddles more than one Lot.*

Millennium Management Ltd.

In the course of researching and preparing this Report, I have had contact with four people at The Alexandra Resort, and have found all four to be very gracious and forthcoming with the information requested:

Ms. Natasha Howard	**Financial Controller, The Alexandra Resort**
Mr. Andrew Stone	**IT Director, The Alexandra Resort**
Ms. Gloria Thomas	**General Manager, The Alexandra Resort**
Ms. Caroline van Scheltinga	**Chairman and CEO, Waterloo International Hotels Ltd.**

Ms. Howard was the source of all financial and budget information, while Mr. Stone provided an in-depth insight into the current and planned information technology configurations at the Resort. Ms. Thomas supplied an overview of the difficulties she had encountered since her recent appointment, and the changes she envisions, while Ms. van Scheltinga outlined the prospects and problems from the point of view of the parent company.

From the evidence I have seen, Millennium has acted very responsibly towards the unit owners, with regard to the administration of the "receiver-owned" units within the Resort:

- Through their relationship with the project's Receiver, British Caribbean Bank (an associated company), they have managed to dissuade the Receiver from "dumping" the units it holds in an attempt to liquidate that investment. In my experience, an arms-length Receiver would have very little concern for the effect it had on privately-owned units by selling the developer's units at distressed prices.

- I have seen no evidence of Millennium offering "special" pricing to encourage rental of these Receiver-held units, but instead they have offered these units for rent at the same price as similar units owned privately. Nor have I seen any indication of rental guests being booked into these Receiver-held units any more frequently than the allocation process of the property management system would direct

Information Technology – Systems and Procedures

The IT Department at the Resort is under the direction of Mr. Andrew Stone, the IT Director. He and his team of IT Technicians are equipped with custom iPad devices that alert them to any abnormal conditions in the operation of the Resort's computer systems, and enable the immediate initiation of any corrective action that may prove necessary.

Now that the initial uncertainty surrounding the "in receivership" status of the Resort has become more definite, plans are underway to build a more cohesive IT structure for the whole Waterloo International Hotels group. A dedicated fiber optic ring, linking The Alexandra, The Beach House, Blue Haven and the Marina, has been purchased from local telephone supplier Digicel and installed by them, while a comprehensive server handling all these properties is being finalized on the second floor of the Blue Haven building, where it should be much more resistant to possible damage from Caribbean storms.

Hardware power backup arrangements are in place to provide at least 50 minutes of backup for all functions before the standby generator takes over. Software backup is provided by two separate servers, each of which can support the entire system on its own. Should a problem in this area last for more than two days, load balancing features of the system will still allow the functioning of all essential systems, albeit with some reduction in efficiency. Level 2 hardware support is maintained on a standby basis with a support firm based in Atlanta.

The Resort has undergone significant changes in its computer software during 2015. All changeovers took place during this year's closure period:

- Previously, the Resort was using the "**Visual One**" software package for both the property management (Front Desk) and accounting (Back Office) functions. One advantage of the Visual One package is that it automatically passes the daily data from the Front Desk to the Back Office, eliminating the need for manual intervention.

- As a result of perceived inefficiencies with the Back Office reporting functions of "**Visual One**", the Resort decided to replace that software with separate Front Desk and Back Office packages, with the expected increases in efficiency more than compensating for the need to prepare and post a manual journal entry each day to transfer data from the Front Desk to the Back Office.

- The new systems now in place are "**Opera**" for Front Desk operations and "**Data Plus**" for the Back Office.

- The Resort also installed "**Hotsos**", a detailed maintenance control system that allows the precise tracking of all labour charges and material costs associated with the ongoing maintenance process, and forms the basis of detailed billings to unit owners and internal departments. Although "**Hotsos"** does not track physical inventories of maintenance stores, it does provide an accurate record of all maintenance issues to each unit or department, and this should provide the basis for a relatively straightforward tracking of the usage of any particular maintenance item against quantities purchased, and thus identify any areas of inventory shrinkage – provided the necessary manpower is invested in this exercise.

- The Resort also installed the “**Micros**” point-of-sale for use it its new restaurant. “**Micros**” is one of the most widely-used restaurant point-of-sale systems in use today. Easily learned by both managers and wait staff, “**Micros**” will effectively control all cash and credit card receipts, as well as room charges, will eliminate the problem of guest checks being left “open”, and will not permit the issue of food or beverage without these items being allocated to a guest check.

Security and Loss Prevention

The Resort uses a combination of its own security officers and those from an outside security agency to provide effective coverage for the property and its guests. Depending on the season, outside security officers can be expected to cover between 13 and 35% of total security hours.

Coverage levels are deliberately varied depending on the Resort's occupancy level, with additional staffing during the evening and overnight hours during periods of higher occupancy.

Attached are illustrations of coverage levels in place for two separate but typical weeks, one during high season (January 12-18) with occupancy levels ranging from 85 to 100%, and the other during the slower season (May 11-17), when occupancy levels varied between 55 and 73%.

Noticeable from these illustrations is a total lack of coverage between 7am and 10am every day during the peak season, and from 7am until 1pm during the off season – these are probably the times of day least susceptible to security-related incidents, but coverage by at least a single security officer would still seem to be warranted to help deal with any unexpected guest emergencies.

Also noticeable from these illustrations is the coverage of the entire Resort by a single security officer during the hours from 10am until 4pm during the slower season – although these are again probably "low vulnerability" hours, the Resort occupies quite a large piece of property, and a single officer on duty will be spread extremely thin, particularly in view of the significant volume of non-guests who can be expected to be on property to patronize the restaurant during luncheon hours.

Except for the coverage gaps noted above, the Resort is providing levels of security coverage comparable to that at similar-sized resorts on Providenciales, and is also consistent in its practice of using outside security officers to provide additional overnight coverage.

Note: Natasha Howard advised on November 19 that, in light of general security concerns all over the island, they will soon have in place 24-hour security coverage, and will also be adding additional officers to the afternoon shifts

New Waste Water Treatment Plant

It has been apparent for number of years that the Resort had outgrown the capacity of its waste water treatment plant to effectively process the volumes of waste water being produced on a regular basis.

To determine the ideal parameters of a replacement waste water treatment plant, a local engineering firm was engaged to assess the options and make a recommendation as to how best to proceed with replacing the existing system.

The consultant evaluated three different types of systems, and included in his evaluation the initial cost, ongoing power consumption, and the need for and cost of spare parts, and all three systems were to be sized to effectively treat 46,000 gallons per day of waste water. The three systems under consideration were:

- The Bionest System (quoted price of $350,000, plus the cost of local construction of all necessary tanks and other in-ground works) is generally agreed to provide the most effective treatment of effluent, but at a premium price. An added attraction of this system is that it can be located beneath vehicle parking areas, this eliminating the need for “extra” space.

- The Kee Biodisc System (quoted price of $213,000, plus the cost of local construction of necessary tanks and other in-ground works) is in wide use on the island (particularly at older locations) but its efficiency is known to be highly-dependent on a rigorous schedule of ongoing maintenance. An additional drawback of this system is that it requires a pre-settlement tank to settle out solids from the effluent before treatment, and this tank is subject to periodic pump-out to keep it operating effectively.

- The Clearwater System (quoted price of $133,000, again plus the cost of necessary local construction of tanks and other in-ground works). The Clearwater and similar systems are becoming very popular on the island, both with new resorts and with facilities looking to replace existing treatment plants – its air-induction process is very effective and relatively maintenance free.

Each of these systems had different requirements as to what local contractors would have to provide to accommodate the factory equipment, and the installed costs were estimated to be:

• Bionest:	Manufacturer’s supplied equipment	$ 350,000
	Local works (including contingency)	424,000
	Drilling of deep well & piping	15,000
	Total installed cost	$ 789,000
	Estimated annual cost of operation	$ 39,000
• Kee Biodisc	Manufacturer’s supplied equipment	$ 213,000
	Local works (including contingency)	141,000
	Drilling of deep well & piping	15,000
	Total installed cost	$ 369,000
	Estimated annual cost of operation	$ 42,000

- Clearwater:

Manufacturer's supplied equipment	$ 133,000
Local works (including contingency)	182,000
Drilling of deep well & piping	15,000
Total installed cost	$ 330,000
Estimated annual cost of operation	$ 37,500

After assessing all of the factors outlined above, the decision was made to go with the Clearwater system – probably the wisest decision because, once the "Rolls Royce" Bionest system is eliminated because of its cost, the Clearwater system represents both the most effective treatment method and the lowest cost of both initial installation and ongoing operation.

Although the new system is now in, and understood to be operating as it should, the installation was not without its glitches:

- The Fall storm season brought the island some extended heavy rains, all timed to coincide with the intended installation and commissioning of the system. Delays were encountered in finishing the locally-provided works, making the final electrical connections, and having the manufacturer's representative do the final set-up and commissioning.

- The cost of the local works required to support the system came in at a far higher price than was expected, even after the $25,000 contingency allowance was taken into account. Some of this excess can be attributed to working around the storms, and some to the fact that, in the interval between the project quotation and the time it came to be built, the construction industry boomed on Providenciales and the trades were suddenly in what was very much a seller's market. Couple this scenario with the fact that the consultant's cost estimates were only that, and not firm quotes from the trades involved, and the local tradesmen decided to charge everything they thought the market would bear. Adding in some other unbudgeted costs, such as the Customs Processing Fee on the new equipment, emptying of the old treatment plant, the installer's work permit, the engineering study cost, and all associated fees and permits, the all-in cost of the new treatment plant was just over $467,000 – or $137,000 (almost 42%) over budget.

- I expect that all of these unbudgeted costs would also have been incurred if either of the other systems had been selected (and probably significantly more so with the Bionest plant, where local costs were estimated at $424,000), with the result that the Clearwater system still stands as the best value choice for the Resort, even if it ended up being much more expensive than anticipated.

Notwithstanding the change in the complexion of the Providenciales construction industry between the time this project was planned and when it was actually executed, over one-third of the items that contributed to the cost overrun could and should have been accurately estimated and included in the project budget:

Costs to have been reasonably expected:

• Customs Processing Fee (payable even on duty-free importations)	$ 8,956	
• Work permit for Installer	750	
• Emptying of existing sewage tanks	11,200	
• Structural design, planning & engineering	9,550	
• Project engineering	18,185	
	48,641	35%
Unforeseen increase in local construction costs (net of $25,000 contingency)	89,100	65%
Total costs over budget	$ 137,741	

<u>Capital Reserves</u>

Both Strata Corporations and the Timeshare Association contribute regularly towards building up a reserve for future capital expenditure requirements, and to cover the amount of the insurance policy deductible should a major catastrophe ever strike the property.

The rates of contribution to these reserves are set by Boards of Directors of the respective entities, and I am told that they are presently as follows:

Strata #49 An annual assessment of $.50 per square foot, yielding a monthly contribution of $3,192.70

Strata #66 An annual assessment of the same $.50 per square foot, generating a monthly contribution of $1,576.04

Timeshare A monthly assessment equal to 5% of total expenses, less the management charge

As mentioned above, the purposes of the reserve funds are to fund future capital expenditure requirements and to cover the insurance policy deductible should a hurricane or earthquake disaster ever strike the properties.

Capital Expenditures

It is my understanding that the Executive Committees of all three entities have been given copies of a relatively recent engineering survey of the four buildings, which highlighted the repairs and improvements likely to be necessary in the near future, and also that a local construction firm has prepared estimates of the costs of those projected repairs.

- *The magnitude of these expenditures, on a building-by-building basis, should be used to help evaluate the adequacy of current reserve funds, and care must be taken to ensure that cost estimates are realistic in the current market, so as to avoid a cost-overrun situation such as was encountered with the new sewage plant.*

Insurance Deductibles

Attached hereto is a copy of the insurance broker's Advice of Insurance for the policy year ending March 30, 2016, which details the following coverages, all of which are subject to a deductible of 2% of the sum insured in the event of hurricane or earthquake damage. Deductibles for claims other than hurricane or earthquake are only $2,500 per incident, and easily covered as normal operating expenses.

	Sum Insured	2% Deductible
Chelsea building	$ 6,550,000	$ 131,000
Lady Rose building	7,960,000	159,200
Marilyn building	8,210,000	164,200
Prima Donna building	8,210,000	164,200

- *It is important that these sums insured accurately reflect the current appraised values of the buildings involved, so that an under-insured situation that could trigger a co-payment towards any loss does not arise*.

Adequacy of Reserve Funds on Hand

Millenium Management Ltd. keeps separate bank accounts for each entity's reserve funds, and the balances in these accounts as at November 18, 2015 were as follows:

Strata #49	FCIB account # 10543554	$ 236,814.35
Strata #66	FCIB account # 10543555	$ 119,077.06
Timeshare	FCIB account # 10543556	$ 253,284.08

- *The Statements of Account provided by FCIB in respect of the above accounts show all of them to be in the name of The Alexandra Resort Ltd., so I can only accept Millennium's word that the balances are what they purport to be.*

Strata #49 has some $237,000 in reserve funds on hand, against a potential insurance deductible of $323,400 if both buildings together sustain that much hurricane or earthquake damage. For Strata 66, the corresponding figures are $119,000 against $164,200, while for the Timeshare Association, $253,000 in reserve funds cover a potential insurance deductible of $131,000.

- *Even without knowing what the cost estimates are for upcoming capital improvements (which costs must also be considered in assessing the adequacy of reserve fund balances), it is apparent from an insurance perspective alone that Strata #49 is under-reserved by some $86,000, and Strata #66 by some $45,000, while the Timeshare Association has a cushion of some $122,000 in its reserve fund account.*

Proper Designation of Reserve Fund Bank Accounts

Notwithstanding the extremely arduous "know your client" rules now in place at all chartered banks in the Turks & Caicos Islands, which make it difficult for even known customers to open additional accounts, if these accounts are to be left in the name of the Resort, then the banking documents should be changed to show as signing officers on the accounts two of the Board members of the respective entities, as a means of ensuring that capital reserve funds are expended only on purchases approved by that Board.

- *If current Directors of these Boards are unwilling to act as signatories on the entities' bank accounts, then consideration should be given to transferring the reserve fund account balances to the trust account of a local legal firm, into which all future reserve fund assessments will be made, and out of which disbursements will be paid only upon the resolution of the Board of Directors, so that there exists no chance of co-mingling the entities' reserve funds with those of the management company.*

- *It is also worthy of note that, in spite of the reserve funds being generated on a monthly basis (subject to any delays in payment by the unit owners), none of the above bank statements show any deposits being made during the period from October 1, 2015 through November 18, 2015.*

General Method of Allocation of Expenses

As a general rule, expenses are allocated between the two Strata Corporations on the basis of the square footage occupied by each, after deducting the portion applicable to the Timeshare Owners and after Millennium absorbs that portion of the expenses deemed applicable to it.

The overall square footage occupied by each entity is as follows:

Timeshare Owners	Chelsea Building	21%
Strata #49	Lady Rose & Prima Donna Buildings	53%
Strata #66	Marilyn Building	26%

With regard to whatever fees are allocated to the two Stratas themselves, their respective square footages result in Strata #49 picking up 67% of those expenses, and Strata #66 the remaining 33%.

There are certain types of expenses whose nature makes allocation on a per-square-foot basis inappropriate, and these are then charged in a different ratio, depending on the nature of the expense, such as:

- The Resort Relations Officer deals 100% with the Timeshare owners, and so the full amount of her salary and related benefits are charged to the Timeshare Association

- Audit fees are charged directly to each entity based on how they are billed by the audit firm.

- Certain other wages and salaries, and their related benefits, are allocated based on an analysis of where the employees involved actually spend their time.

Attached is a short schedule setting out how this allocation process applies to a few selected expenses.

There is always a degree of subjectivity when it comes to any allocations that are not strictly on a per-square-foot basis but, as far as I have been able to determine, the allocation methods used by Millennium are consistently applied, and generally in line with those used by other similar Resorts on Providenciales.

<u>Relationship of Millennium Management to Unit Owners</u>

The relationship between the management company and the unit owners can be described as "strained" at best, and there is often a perception among the owners that the management company is acting contrary to their best interests. A number of external parties that have been involved with the Resort have commented on this relationship condition, using such terms as "apparent lack of trust", "seemingly differing agendas" and "conflicting objectives"

It should be remembered that Millennium took over the management of what was essentially a "failed" resort – the project was in receivership, prospects of further unit sales were dim, and the value of the investors' units was questionable. Any assessment of how Millennium has performed as a management company, from the perspectives of both the resort and the unit owners, should be made with this starting scenario in mind.

In a desperate attempt to generate enough sales the keep the project afloat, the original developer seems to have made promises to some of the purchasers, concerning rental levels, future fees and perhaps even resale values. These promises were unwise to make at the time, and are impossible to keep now but, however naively, some purchasers may have taken these promises to be guarantees, and now feel they have been misled – a situation that may be contributing to an overall feeling of nervousness about the current management of the Resort although, in itself, it has nothing to do with the ongoing efforts of Millennium to efficiently manage the Resort.

Although not the only point of contention between Millennium and the unit owners, by far the biggest source of friction is the program being put in place by Millennium to restrict the private rental of owners' units, where the following comments are relevant:

- Every condominium resort on Providenciales is taking steps to similarly limit the rental of owners' units outside the resort's rental pool. Some of these actions are persuasive, and others more drastic, but all are being implemented to restrict private rentals – a practice which is ultimately detrimental to the health of the resorts and to the resale value of all owners' units.

- The procedures, fees and surcharges being imposed by Millennium on private rental activity bear no relation whatsoever to any additional costs the Resort may incur in accommodating private rental guests, and cannot be considered to be anything but punitive fines or penalties imposed on the "errant" owners.

- There is a valid question as to whether these additional fees could withstand a proper legal challenge, and one major resort on the Island has already had the courts deny the charges it tried to impose on private rentals.

- It would seem that, if these additional fees were phased in more gradually, and only after meetings with the owners to convince them of the long-term damaging effects of private rentals (notwithstanding a common scenario of additional cash to the owners in the short run), the interests of Millennium and the owners could become more convergent, and the strained relationship between them much mitigated.

The “operating style” of the current Millennium managers seems to be very aggressive towards local employees of the Resort, causing a general malaise about the property that I am sure has been noticed by many owners. Several long-term staff have left the Resort, and there are varying degrees of unhappiness among those that remain, and it has been my experience that widespread conditions such as these soon come to the attention of the Immigration and Labour Departments, with the result that pressure is often brought to bear on any work permit holders seen to be part of the “oppressive” management team.

The new company-owned restaurant is considerably different from its predecessor, both in menu and price point, and it remains to be seen how well it will do as a replacement for one that was generally regarded as one of the best on Provo for both value and quality of service.

A concerted effort by both parties to appreciate more fully the other’s position in other areas of Resort operations could also go a long way towards fostering a more harmonious relationship between the management company and the owners – an example being the elimination of this year’s confusion with regard to the setting of strata and operating budgets, in which the owners felt the management company’s proposed budgets were too late in being received, and the management company was faced with different timing of budget approvals or revisions by the various entities involved.

It is my understanding that this timeliness issue is again surfacing for 2016, with the management company not yet having supplied proposed operating or capital budgets for the coming year for review and discussion by the three Boards in time for them to be presented at their imminent Annual Meetings.

Summary and Opinions

During the course of my examination, I have enquired into, and investigated to the extent deemed necessary under the circumstances, a number of aspects of the relationship that exists between the three entities and Millennium, and summarize as follows:

- The ownership of the land parcels within the Resort by Stata #49, Strata #66 and the Timeshare Association are properly registered with the Turks & Caicos Islands Land Registry, and the buildings owned by those entities are all properly contained within those respective lots.

- The Management Agreements that exist with Millennium are very much in line with those that exist between other large resort owners and their management companies

- The staffing levels that Millennium has put in place are appropriate to the quality of service it seeks to offer to both unit owners and guests of the Resort, and its use of outside contractors to supplement its own staff is consistent with the practice of most other resorts on Providenciales. Millennium has recently undertaken to fill the gap in security coverage that has existed between 7am and 10am, and to increase the number of officers on duty during the afternoon shifts.

- The management company has a capable staff of maintenance personnel, and has just installed a fully-computerized maintenance control system to accurately track both outstanding maintenance issues and the expenditure of time and materials on correcting those faults. Their use of outside contractors appears judicious, and generally limited to those instances for which the in-house staff lacks either the expertise or specialized equipment to effect the necessary repairs.

- Capital expenditures authorized for the current year included some $26,000 to upgrade the Resort's WiFi service and some $36,000 for replacements and additions to the pool and beach equipment, but the largest approval by far was some $384,000 to replace the waste water treatment plant.

- It is important that the respective entities' Boards of Directors have sufficient input into the budgeting and approval of any upcoming capital projects that any chances of cost overruns of this magnitude can be prevented.

- The peculiarities of the business environment in this country are such that a formal process of soliciting quotes is often a worthless, and it is often best to contract with a firm or individual that is known for delivering good value – frequently not the cheapest, but someone who will complete the job properly and stand behind the work done.

- I was impressed with the Resort's IT system and the person responsible for it. Significant changes are taking place this year and next with regard to offsite servers in secure locations, and the new software packages installed during closure all seem to be working up to expectations.

- The Resort's security and other personnel seem to have done well in coping with the very much unexpected winds and rains that came this year with Hurricane Joaquin. Even with the acute shortage of advance notice, damage to the buildings and other property were minimized.

- The accounting and reporting administered by Millennium seems to be both accurate, and the Owner's Statements very explicit. Millennium has just installed new Front Desk and Back Office software to further improve its accounting and reporting capabilities.

- The reserve fund bank accounts of all three entities are now in the name of the management company and, if the entities' Directors are unwilling to act as signatories on separate bank accounts for these funds, then they should be transferred to the trust account of a local legal firm to guard against any co-mingling with management

- company operating funds.

- Nothing has come to my attention that would lead met to believe that the expense allocations between Millennium and the three entities are unfairly biased towards any party involved, nor are they inconsistent with practices followed at other major resorts on Providenciales.

- The additional fees and procedures recently introduced by Millennium on private rental activity cannot be considered to have any economic justification, and must be considered as fines or penalties for renting outside the Resort's rental pool.

In summary, it is my opinion that Millennium Management Ltd. is managing The Alexandra Resort in a professional and responsible manner, and looking after the owners' interests as well as they do their own. Their practices and procedures are not out of line with those to be found at any other major resort on Providenciales, and their relationship with the Resort's Receiver has undoubtedly held off any potentially damaging action that the Receiver would be fully entitled to take.

Notwithstanding this, however, it is obvious that Millennium has a strong "let's show the locals how things should be done" attitude towards managing the Resort – an attitude that has already begun to affect staff morale and generally dampen the ambience and "buzz" of the Resort.

A high degree of friction has been and is being encountered as the Resort works to pull itself out of receivership and emerge as an enviable Grace Bay property, and I would encourage all parties involved to cooperate towards that end. Unfortunately, the apparent current attitude of Millennium in "ramming charges down the owners' throats" is having precisely the opposite effect, and will only serve to further polarize the positions of the various parties.