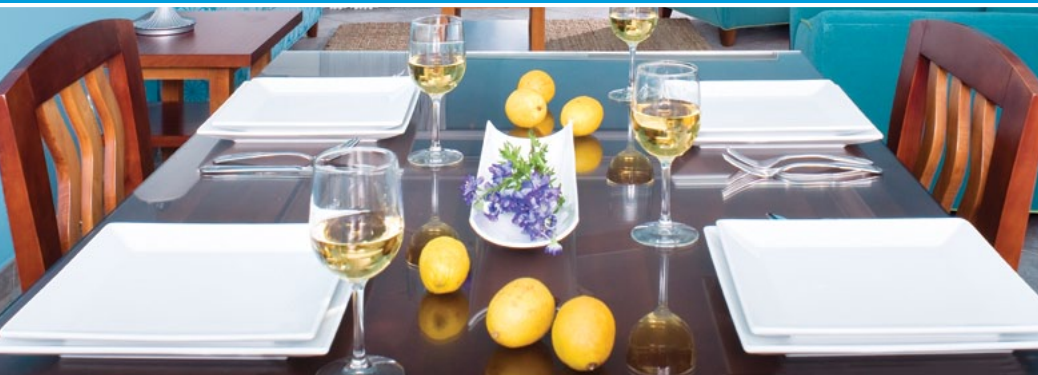


Report to the Owners

FROM IRON SHORE MANAGEMENT ON BEHALF OF OYSTER BAY | NOVEMBER 2011



Dear Owner,

In order to meet the expectations of Oyster Bay Beach Resort's Owners and Interval International guests, Iron Shore Management has been implementing a comprehensive improvement and modernization effort to maintain and upgrade the units and common areas of the Resort. The improvement and maintenance plan is needed to continue to keep the facilities of the Resort at a level that our owners and our vacation exchange partner, Interval International, have come to expect.

Last year at this time we had just completed extensive renovations to 18 units in buildings 20-23 (The Beach Villas). This past September, we completed an extensive renovation of the 54 units in buildings 33-41 (The Hill Top). The newly renovated and remodeled Hill Top units were open to guests on September 7, 2011. We are very pleased with the outcome as the feedback we have received from our owners and guests has been overwhelmingly positive. All of the units have been completely renovated and refurbished with new furniture, artwork, and draperies and equipped with new appliances, and other kitchen equipment, large flat screen TV s, new cabinet and drawer covers, new soft goods and high-end, ultra comfortable bedding, and many other improvements. More details can be found on the Resort's website at: www.oysterbaybeachresort.com. Please take a look; we think the improvements look great. We are confident you'll be impressed.

The modernization and maintenance plan has been carefully evaluated and updated on a continuous basis to make sure that we are making the appropriate improvements at a fair price. We have engaged experienced and hard working professionals to assist us in the effort and we use local contractors and material suppliers, as much as possible, to complete the improvements where appropriate. This helps the community and improves our standing and reputation in the community. It also reduces our costs in some areas.

The next phase of the modernization program for Oyster Bay is in planning. It encompasses the renovation of buildings 24-32 on the ocean front ("The Ocean Front Pavilion", which encompasses 36 units). We hope to start ordering furniture

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and other items by the end of the 2011. We plan to start the first phase of the work in May of 2012. As these units are quite popular because of their spectacular uninterrupted view across the Atlantic Ocean to St. Barth's, we are staging the renovation in such a way that there should always be some units available in this location while others are being completely upgraded.

The new look will be in the same modern and elegant Caribbean style as the previous construction and renovation that has been completed at Mainsail, the Beach Villas (Phase I) and The Hill Top Villas (Phase II).

The renovations in all areas of the Resort are being done at a higher and more decorative level with emphasis on high-end comfort. Many of the improvements we are implementing are a result of recommendations made by the OBBR owners and Interval International guests as expressed in comment cards, individual communications and conversations with Senior Staff. In addition, Interval International, the organization that facilitates the vacation trades of many of our members, has had input in the formation of the plan to upgrade the units and provide better service. As most of you know, Interval International assigns a higher trading value to our resort based on our improvements and their II member's comments which allows our Owners to trade into the highest rated resorts, within their exchange network. These high standards are important to maintain to keep the Resort healthy and the Interval members satisfied with OBBR and with their trade into our Resort.

In order to maintain, and in many areas increase our standards and in light of the ever increasing expenses on the Island, including turnover tax, employee wages, as well as due to the limited purchasing choices of a Caribbean Island enterprise, we find it necessary and prudent to provide for a modest increase in the annual maintenance fee for 2012. The increase will be based on a \$65 annual increase in the base maintenance fee which is levied on a flex-time annual week. Given that annual maintenance fee for the bench mark annual flex week was \$695 for 2011, it will increase approximately 9.35% to \$760 for 2012. All other assessments for quad annual, bi-annual and fixed time ownership will also be increased by approximately 9.35% over the maintenance fee payable for 2011. Please expect to see the increase reflected in your monthly or annual statement that arrives in December or January.

We do not anticipate that there will be an increase in upgrade fees or any other fees or charges levied by the Resort in 2012. However; we reserve the right to pass-through any increase in the government imposed occupancy or timeshare tax.

We feel that the new assessment level will provide for a fiscally solid resort, with up-to-date accommodations, that will not only provide the high quality vacation experience demanded by our members and II exchangers, but will also ensure the continuous availability of the Resort, in great condition, in the very corrosive but beautiful and incomparable ocean front environment of St. Maarten for years to come.

Best Wishes,
Joshua Gold & Michael Dolente
Iron Shore Management



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