

SANDYPORT HOMEOWNERS ASSOCIATION LIMITED

DIRECTOR'S REPORT TO THE SHAREHOLDERS

For the period January 20th, 2012 to December 2nd, 2012

Less than one year ago, the Board committed to continue it's efforts to rejuvenate, beautify and further secure our community. Board decisions favor a better quality of life and fair treatment for all residents whilst preserving or enhancing shareholder value.

The Board thanks the management team for continuing to fulfill our objectives and doing so without any debt, fee increases or special assessments.

In the last year we have:

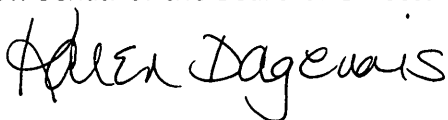
1. Reduced the bad debt provision to \$40,000 (2011 = \$80,000).
2. Reduced outstanding gross receivables by 15.8% (Q3 comparatives) against year on year revenue increase of 3.3%.
3. Landscaped the following areas:
 - 3.1. Maintenance compound
 - 3.2. Roberts Isle recreation area
 - 3.3. Opposite Sandyport Drive from 79 to 120
 - 3.4. Sandyport Drive from Kingfisher to Watercolor Cay
 - 3.5. Sandyport Drive near Super Value
 - 3.6. Boat ramp
 - 3.7. Opposite Sandyport Drive 12
4. Replaced 100 garbage cans with rolling cans and added 15 ornate steel garbage receptacles.
5. Replaced all poolside furniture.
6. Extended curbing in various locations:

- 6.1. Main entrance
- 6.2. Service entrance
- 6.3. Sandyport drive between Kingfisher Island and Roberts Isle
- 6.4. Maintenance compound entrance
- 6.5. Sandyport Drive 79 to 120
7. Replaced the roofs on security and utility buildings.
8. Painted all common areas including fences, bridges and carports.
9. Enhanced walkways in the following locations:
 - 9.1. Governor's Cay
 - 9.2. Roberts Isle recreation area
 - 9.3. Sandyport Drive
10. Replaced the picket fences around the transformers and utilities.
11. Renovated the boat ramp.
12. Extended parking allowance near Sand Dollar Island marina.
13. Updated the canal entrance wall and fence.
14. Carried out road repairs.
15. Added drains in several locations.
16. Performed all necessary clean up and repairs following Hurricane Sandy including canal dredging.
17. Implemented a monthly fogging schedule to prevent Dengue fever during the months of May through October.
18. Upgraded incoming worker's security with a card identification system.
19. Upgraded security uniforms.

20. Upgraded the security vehicle fleet including all weather patrol and golf carts.
21. Replaced the backup generator for the security control room.
22. Installed an automatic entry system at the maintenance compound.
23. Upgraded the CCTV system.
24. Upgraded wireless networks at key locations.
25. Engaged a firm of civil engineers to evaluate the wastewater system and provide recommendations for repairs and expansion.
26. Installed a magnetic flowmeter at the wastewater treatment plant.
27. Performed various necessary upgrades to the wastewater collection system including pumps, runtime meters and switches.
28. Implemented on line billing.
29. Upgraded the on line customer support portal.
30. Relocated the management office.

We believe that we have delivered on our commitments in spite of the many challenges that have been presented throughout the year. I would like to thank my fellow Directors for their active participation and ongoing support throughout the year 2012.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Karen Dagenais". The signature is fluid and cursive, with the first name "Karen" and last name "Dagenais" clearly distinguishable.

Karen Dagenais
Chair