



SHELL VACATIONS CLUB
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NEW ENGLAND RESORT BECOMES SECOND SHELL VACATIONS SYSTEMS FRANCHISEE

NORTHBROOK, IL -- After a five-year search for the ideal New England timeshare property, Shell Vacations Club (SVC) has made a major commitment to the region with the affiliation of its second franchised vacation ownership resort. Shell Vacations Systems (SVS) second franchisees are Perry Williams and Paul Peck, developers of Crotched Mountain Resort & Spa.

Located in the historic community of Francestown, New Hampshire, the resort is set amidst 675 pristine wooded acres with rolling hills and abundant stone walls a semi-private 18-hole golf course and an adjacent ski and ride area. The golf course was originally developed in the 1920s by famous golf course architect Donald Ross and Williams and Peck saw a tremendous opportunity in the land, its in-place infrastructure and its close proximity to Boston. After new construction in excess of \$10 million and further renovations, the resort will contain 112 units in 16 two-story buildings with a clubhouse and spa.

The new franchisees are also committed to expanding the Shell Vacations Club resort network. Their franchise agreement with SVS gives Peck and Williams an exclusive right to sell under the SVS banner in New England subject to increasing sales and developing additional resorts within the next two years. Already in active sales, Crotched Mountain Resort & Spa is scheduled to convert to sales of the Shell Vacations Club points in September. This aggressive schedule is made possible because Peck and Williams gain immediate access to Shell's tools, systems, and sales and marketing collaterals.

Says Sheldon Ginsburg, President and CEO, Shell Vacations LLC, "For some time, our Carriage Hills Resort in Canada has been our only property in the East. This affiliation is pivotal for us as it clearly demonstrates that we are not just a 'West Coast' company. With this franchise we have begun implementing our plan to weave a complete North American network and are now in talks with other East Coast developers. We also plan to expand our Club internationally through franchising, beginning with Canada and Mexico. Several current initiatives are moving us in that direction."

Adds Tracy Sherles, President of the points-based Shell Vacations Club and architect of Shell's franchising initiative, "This special opportunity at Crotched Mountain Resort & Spa fits perfectly with our strategic goal of creating a New England experience for our Shell Vacations Club members. Shell intends to blanket the region with a mix of resorts, activities and benefits available on the basis of points. We are already working on a myriad of special New England experiences that will be inviting to SVC members who are visiting the region, as well as to those who live there.

Jeffrey Server, Executive Vice President of Acquisitions and Development for Shell Vacations, applauded the commitment of these two developers to bring out the best of the property and fulfill its tremendous potential through renovation and rejuvenation.

"Clearly, Perry Williams and Paul Peck understand the importance of maintaining a traditional New England look and feel to the property. Their improvements to landscape, amenities, unit and design standards will place Crotched Mountain Resort & Spa squarely in the midst of other Shell Vacations Club resorts in terms of overall quality."

About the Developers

Williams and Peck are partners in two Maine properties: Rangeley Lake Resort, a timeshare in Rangeley and the Timbers at Sugarloaf/USA, a whole ownership luxury ski-in/ski-out condominium project in Carrabassett Valley both about 80% sold out. Williams runs the day-to-day operations of Rangeley Lake Resort while Peck runs the Timbers. Peck has been an attorney for nearly 20 years, concentrating in real estate, corporate, and commercial law with the 130-year old law firm of Drummond & Drummond in Portland, Maine.

Said Williams, "We put a great sales and marketing team in place at Rangeley Lake Resort and could see we would soon face the prospect of having nothing left for them to sell. We bought Crotched Mountain Resort & Spa and affiliated with RCI primarily to keep the team together. We had no future development plans after this resort and, frankly, the last thing on our mind was franchising with anybody. We really did not want to be 'corporate' and affiliated with a big brand, as we believe we are entrepreneurial in spirit."

"Then we learned about Shell's franchising program and felt it was the wave of the future because of the Club's usage flexibility," added Peck. "We also discovered that being entrepreneurial is what Shell is all about. At their core, they still like to make things happen just like we do. With the franchise, we'll still be running our own business - but with the benefits and credibility of a big company behind us. And of course, we're still a part of RCI."

What were their motivating factors in becoming a Shell Vacations System franchisee?

"We were looking for a knowledgeable partner to take our business to a higher level," said Paul Peck. "We realized we might spend hundreds of thousands of dollars and many years and still never get there by ourselves. We didn't want to wait to grow. Since Shell has been at it for 25 years, we knew being a franchisee would be the ideal process to get us where we want to go faster and more cost-effectively."

Explained Peck, "Being a Shell Vacations Systems franchisee will provide a better experience and result in a higher value for our customers' vacation dollars. Since Shell will frequently contact our owners to help them use the product, they will be happier and our portfolio will perform better. On the back end, being a franchisee will enable us to obtain better reporting and financial snapshots of our company. Using Shell's systems and the Shell Vacations Club makes it much easier to expand to new resorts throughout New England because we do not have to start from scratch."

Williams agreed. "Having gone from single site developer to two resorts, we could easily see the synergy in being affiliated with Shell's 21 other resorts. It's exciting for us to so clearly define our future path. Being a Shell franchise will enable us to keep our machine going for a long time. With the New England territory as our exclusive region, we plan to develop other resorts in the near future. Now there is no end in sight. Plus, it's great for employee morale. We look forward to using the Shell brand as we continue to recruit top flight sales and marketing personnel."

A New England native herself, Tracy Sherles has looked for an opportunity to help develop a vacation club in the region for the past 15 years and was thrilled to have the New Hampshire property under the SVS banner. SVS Vice President Joe Malone, born in New England and currently based there, has long felt that a points-based club in this region would help fulfill the dreams of many vacationers and make complete business sense for the organization.

Crotched Mountain Resort & Spa

The main house at the Crotched Mountain Resort & Spa (built in 1790) features an enormous fireplace in the tradition of that era and houses a restaurant, tavern, banquet facility, pro shop, and administrative offices. A documented ghost living in the basement adds to the ambiance.

"We intend this to be a family-friendly destination and ideal for family vacations," said Williams. "Francestown is the kind of place where you don't have to lock your doors. It's peaceful and relaxing; the historical surrounding area is the main attraction. Many of the homes were built in the 1700s, and one general store here has been open every day for the last 215 years."

Eleven million dollars has recently been spent at the Crotched Mountain Ski and Ride Area adjacent to the resort, which features downhill trails with all new lifts, as well as night skiing. Crotched Mountain Resort & Spa offers cross-country skiing, snowmobiling, tubing, ice skating and hiking trails in addition to championship golf and clubhouse amenities.

The first Shell Vacations Systems franchisee, Salado Creek Villas in San Antonio, was affiliated with SVS in March of this year.

Shell Vacations is one of the nation's largest independent vacation ownership developers, now operating 22 resorts in eight states and Canada along with various preview centers. The company has over 2,500 employees and a hospitality division serving close to 100,000 owners/members.

For additional information, please log on to <http://www.shellvacationsclub.com>

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