



LUXURY DESTINATION CLUBS



PRIVATE ESCAPES®
destination clubs

FOR IMMEDIATE RELEASE

**ULTIMATE RESORT AND PRIVATE ESCAPES SIGN \$200 MILLION MERGER AGREEMENT
AND CREATE INDUSTRY'S SECOND LARGEST DESTINATION CLUB**

Merger is Largest in Industry's History

ORLANDO, FL / FORT COLLINS, CO (SEPTEMBER 13, 2007) — **Ultimate Resort®**, the industry's second largest destination club and **Private Escapes®**, the industry's third largest destination club, announced today the signing of a definitive agreement to merge and create the industry's fastest growing and second largest destination club by a large margin. Approximately 1,200 club members will have access to hundreds of exclusive club properties located in nearly 50 of the world's best resort destinations in the US, Mexico, the Caribbean and Europe, as well as exclusive access to a select collection of over 60 luxury hotels in dozens of major cities in the US, Europe, Asia, Middle East, South America and Central America.

The combined company will operate three distinct destination clubs targeting the \$1 million, \$2 million and \$3 million average home value club categories. The new combined club, led by the strongest and most seasoned management team in the industry, will account for more than 25 percent of the total market share and boast a global resort real estate portfolio with a fair market value of \$200 million.

With the closing of this milestone agreement, the new combined company becomes:

- The fastest growing club in the \$1 billion destination club industry
- The #1 club in the \$1 million home value club category
- The #1 club in the \$2 million home value club category
- The #2 club in the \$3 million home value club category
- The #2 club by total number of members
- A leader in number of global destinations
- The only destination club that operates three distinct clubs and multiple membership plans

"Size matters. Financial stability, operational efficiencies and real estate diversification are all important factors when evaluating destination clubs," says Jamie Cheng, co-founder and lead analyst of Helium Report, an independent, online guide to luxury fractional ownership. "As the industry matures and consolidates, consumers should win, as they will have fewer, but stronger clubs from which to choose."

This \$200 million dollar merger is the largest consolidation in the industry to date and solidifies the combined company as an industry leader, providing its growing membership base with a wide range of exceptional travel experiences.

"We are creating a true market leader with dedicated talent and incredible resources that will benefit all of our members and stakeholders," said Richard Keith, co-founder, president and CEO of Private Escapes Destination Clubs. "Our individual companies have always been dedicated to personal service and membership satisfaction. The combined company will

strengthen this commitment with enhanced member services and an expanded portfolio of top resort destinations and residences worldwide. By combining our multiple club offerings, growing membership base, real estate portfolio, resort destinations, technology platform and innovative approaches to member satisfaction, we are reshaping the future of our industry."

"This merger will create the industry's top destination club organization, providing our approximately 1,200 existing club members with the industry's 'best of breed' club offering," said Ultimate Resort founder, president and CEO Jim Tousignant. "Ultimate Resort and Private Escapes are both market leaders that share core business values that are focused on an unwavering commitment to providing our members with exclusive access to the best club homes, most memorable vacation experiences and the top concierge and member services in the industry. Combining our individual strengths creates a much stronger family of destination clubs that offer our members the most club membership plans, the best flexibility, and a vastly improved range of new club destinations and member vacation experiences, all while operating a prudent, sustainable business model."

"The merger between Ultimate Resort and Private Escapes illustrates the continuing growth and maturity of the destination club industry," said Adam Wegner, president of the Destination Club Association. "Destination club membership is a wonderful and unique way for families to travel, and more and more consumers are selecting this new vacation alternative."

Ultimate Resort and Private Escapes will maintain current club operations in parallel during the 75-day due diligence period while the two companies work on integrating all phases of club operations, technology, member services and field operations. The merger is expected to close by mid-November 2007, at which time both company's assets will be combined. The specific brand name of the combined company and the brand names of the three destination clubs will be finalized prior to closing. During the first 90 days after the transaction closing, Tousignant and Keith will serve as co-CEO's to ensure a seamless transition. Thereafter, Tousignant will serve as the CEO of the combined club and Keith will serve as Chairman of the Board. It will operate the corporate and operational offices from Orlando, FL, Fort Collins, CO, and Kansas City, MO.

The combined company will continue to embrace the same sustainable and scalability business model that has proven successful for both Ultimate Resort and Private Escapes, ensuring members have flexible access to the world's broadest array of club destinations. The combined business is committed to providing high member property availability and flexibility while also maintaining a low equivalent member-to-property ratio, a winning strategy that has led to strong growth over the last few years while maintaining consistently high member satisfaction ratings.

About Ultimate Resort

Ultimate Resort is the industry's #2 largest private destination club, designed to provide individuals, families and corporate members with exclusive club privileges and flexible access to a growing portfolio of properties located in exciting resort destinations throughout the United States, Mexico, the Caribbean and Europe. The club's private, multi-million dollar homes are well-appointed luxury residences that offer concierge services and the amenities of a private country club. Annual fees for club membership vary depending on the Membership Plan selected. For individual and family members, Ultimate Resort eliminates the burden of owning a second home. For corporate members, Ultimate Resort is ideally suited for corporate reward or incentive programs for sales professionals, managers, key employees and clients. Additional information can be obtained by calling **877.955.1900** or via www.ultimateresort.com.

About Private Escapes Destination Clubs

Private Escapes Destination Club leads the destination industry by offering the only multi-option portfolio with three innovative private clubs for members worldwide. Incorporated in October

2003, Private Escapes includes independently owned and operated affiliates Private Escapes Premier, Private Escapes Platinum and Private Escapes Pinnacle. Each exclusive club offering provides member privileges, personal concierge services and unprecedented access to the finest luxury residences in beach, golf, spa, alpine and metropolitan destinations around the world. A 2006 study conducted by an independent, third party research firm identified overall member satisfaction of trip experiences for Private Escapes Destination Clubs at an unparalleled 98 percent. For more information on Private Escapes Destination Clubs, contact **866.536.4700** or visit www.privateescapes.com.

About the Destination Club Association

The Destination Club Association (DCA) is the Washington, D.C.-based association representing the destination club industry. Established in 2006, DCA member firms today represent over 90% of the destination club industry, and include Ultimate Resort, Private Escapes, Exclusive Resorts, High Country Club, Quintess and Solstice. The DCA's mission is to promote the responsible growth of the industry, through education to create awareness of the industry and its unique vacation offerings, through the establishment of best practices and other consumer protections, and through enhanced relations with the broader hospitality industry worldwide. For more information on the DCA, please contact Christine Turner, Christine@turnerpr.com or Courtney Lis, Courtney@turnerpr.com at 303.333.1402.

For Media inquiries please contact:

For Ultimate Resort:

Melanie Brandman | Naomi Burton Isaacs
The Brandman Agency
E: firstname@brandmanpr.com
Tel: 212.683.2442

For Private Escapes:

Courtney Lis | Emily Watson | Christine Turner
Turner Public Relations
E: firstname@turnerpr.com
Tel: 303.333.1402
Cell: 303.888.0332