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CONTACT:

Aubrey Gordon
aubrey@turnerpr.com
Alana Watkins
alana@turnerpr.com
(303) 333-1402

New Niche Destination Clubs Offer Convenient and Accessible Options for Today's Luxury Traveler: Members Go Wherever They Want, Whenever They Want

Private Escapes Destination Clubs Brings Two Unique Products to the Sector

(FORT COLLINS, COLORADO) – May 4, 2005 - Judging from the wealth of lifestyle options available today, luxury travel is making a strong comeback after a difficult period in the aftermath of 9/11. Raising the bar for the caliber of unique luxury travel experiences available on the market, the destination club category offers the newest and most attractive option as it promises virtually unlimited, hassle-free access to high-end destinations around the world for members' exclusive use. However, not all destination clubs are created equal—accessibility, price and membership growth rate differ dramatically between companies, thus comparison shopping is important. Relatively unknown until the last few years, destination clubs are now booming as a major player in the travel industry with membership sales for the category surpassing \$500 million in 2003 alone, and forecasts for the next three years exceeding \$1 billion.

Destination clubs are often seen as a mystifying concept, but the formula is in fact very simple. Bridging the real estate and travel industries, destination clubs provide greater access and availability to private residences, so members can take a vacation wherever they want, whenever they want. Unlike a timeshare that allows travelers to purchase a set amount of weeks at one location, or second homes that limit owners to one property, destination clubs have member-to-property ratios that are significantly more balanced. This ratio varies from club to club but is generally in the range of 6:1 to 8:1 but provides increased access to multiple destinations. Additionally, most destination clubs offer concierge services, high-end amenities such as fractional jet hours, and preferred access to top golf courses and world-renowned spas.

Richard Keith has a unique perspective on the industry. As president and co-founder of Private Escapes Destination Clubs, a new company finding great success with its dual club product offering, Keith launched his own niche destination club product after his stint as a former member-turned-COO of Private Retreats by Abercrombie & Kent.

"Destination clubs provide the most widespread benefits for luxury travelers, as they combine the best aspects of second home ownership coupled with easy access to the resort amenity where the residence is located," said Keith. "Ultimately members are paying less than what they normally would for a stay at the same luxury resort, enjoying the added benefits of personal concierge service, five-star treatment and amenities, and the ability to travel to top resorts at a moment's notice."

Colorado-based Private Escapes and Private Escapes Platinum, independently owned and operated affiliates of Private Escapes Destination Clubs, are leading the sector with two unique value propositions. Attractive incentives include a fully-refundable membership deposit, Escape Planner who coordinates all details of a member's vacation, and Local Host who greets members at their destination and ensures an enjoyable stay. Private Escapes sets itself apart as the first

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and only destination club with membership entry fees under six figures, while Private Escapes Platinum is the first and only destination club to offer its members an upside to their investment through annual club credits. Launched in 2004, both clubs filled a needed market niche as evidenced by the doubling of initial membership goals in the first year. Private Escapes Destination Clubs attracts members with its intimate structure that controls the clubs' growth in accordance with new property acquisition.

"Our members and their needs are our top priority," said Keith. "To ensure that we always have luxury residences for our members' exclusive use, we have enacted a disciplined and balanced approach to growth. This method complements our efforts so the clubs don't grow out of control, prohibiting our ability to properly attend to member's travel plans and overall satisfaction."

Private Escapes Destination Clubs has adopted the "tortoise and hare" method of leading the destination club sector. Where competitors are sprinting to support availability and service standards during periods of rapid growth, Private Escapes Destination Clubs focuses on incremental growth to ensure it delivers on its promise of incredible service and easy accessibility to its cache of properties. Private Escapes Destination Clubs gets ahead of the growth curve by working with a lead time of three-to-five months for each new property, guaranteeing its members will enjoy each residence according to its portfolio standards. Other clubs in a race to support membership growth often are forced to offer rental properties, which lack the standards of its portfolio properties, a duct tape solution to rapid growth. The supplementary cost of renting properties on the short-term increases the club's total overhead, effectively passing members this additional cost in the form of inflated entrance fees. The methodical acquisition of Private Escapes Destination Clubs' properties allows the club to represent itself accurately because it owns all real estate outright and in turn allows the club to pass equity to its members.

Private Escapes Destination Clubs offer its members virtually unlimited access to more than 20 destinations around the world including Abaco Island, Bahamas; Lake Tahoe, Nevada; Los Cabos, Mexico; and Dangriga, Belize. The allure of the accessibility to these destinations has attracted several notable members. Dr. John Hillen Ph.D, one of America's leading military affairs and international security analysts frequently seen on *Good Morning America*, *World News Tonight with Peter Jennings* and *Nightline*, was looking at vacation homes and timeshares but found Private Escapes' breadth of properties and standard of service appealing.

"Private Escapes is not my vacation home—it's my vacation *homes*," said Hillen. "The choice to buy into a destination club makes sense for my family because as the clubs grow, we have more and more destinations to visit—my kids are never bored."

Hillen looks forward to spending July Fourth in Kiawah Island, South Carolina, and recently enjoyed a stay at Private Escapes' property in Trump International Hotel & Tower in New York City and the club's private residence at La Quinta Resort & Spa in southern California.

OTHER TRAVEL OPTIONS

Today's luxury travel options are far more plentiful than even a decade ago, offering a myriad of alternatives for those seeking an inimitable, five-star experience. While destination clubs provide the best of all alternatives, other offerings include:

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Destination Clubs

Members gain access to exclusive properties around the world and the inherent privilege of virtually unlimited year-round travel to any of the club's properties. Added membership benefits include use of fractional jet provider services, personal concierges and vacation planners.

Second Homes

Many families opt to purchase a second home if they fall in love with a certain location and plan on spending an extensive amount of time at their second home. The disadvantage of second home ownership is dealing with the hassles of constant upkeep, the expense of taxes and insurance and the limitation of a single destination.

Timeshares

Although timeshares are a popular vacation alternative, they are often thought of as unreliable because of the limited access to properties during prime vacation times and the possibility of resale loss. Timeshares usually function in a member-to-property ratio of 50 members per one property, with the goal being to sell out every week in a given year, thus members must book as much as a year in advance.

Fractionals

A relative of the timeshare model, fractionals offer partial ownership of a piece of real estate, usually in a highly sought after destination, with access anywhere from one month to approximately 13 weeks annually. The resale value of fractional homes generally follows the local real estate market, although that could change as the number of fractional homes steadily increases, making the demand far less.

Luxury Travel Clubs

Not to be confused with destination clubs, luxury travel clubs are a member-benefits program, offering club members discounts and credits with luxury providers and providing access to members-only trips and private trip-planning services.

Resort Villas

As demand necessitates, resorts are adding their own extravagant villas to their existing properties, offering lavish residences with all the benefits of a resort setting.

Concierge Villas

Concierge villas are rental home properties that come with the added benefit of a personal concierge who handles every detail from stocking a refrigerator to arranging tee times to booking massages.

About Private Escapes Destination Clubs

Incorporated in October 2003, Private Escapes Destination Clubs includes independently owned and operated affiliates Private Escapes LLC, the first and only affordable travel Destination Club, and Private Escapes Platinum LLC, the first and only travel Destination Club with upside to the investment. Based in Fort Collins, Colorado, each Club will ultimately own up to 70 properties in 25 destinations worldwide, capping their membership at 400 each. For more information on Private Escapes, contact (866) 536-4700 or visit www.privateescapes.com. For more information on Private Escapes Platinum, contact (877) 463-0211 or visit www.privateescapes.com.

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