



HIGH COUNTRY CLUB

Christian V. Kirschner
President & CEO

Monday, October 27th, 2008

RE: HIGH COUNTRY CLUB SUCCESS PLAN

High Country Club has become a company that I am very proud of for many reasons. HCC is a business that feels more like a family than a business. Relationships have been built over the last 3 years as families have been able to reconnect with one another and have experiences they will cherish for a lifetime. The HCC team has enjoyed the relationships we have built with our members and we take great pride in being a part of your past and future adventures and memories.

As Founder, President and CEO, my top priorities are to protect our member's investment in the club and make sure our members continue to enjoy memorable vacation experiences. As you are aware, the current economy is in a decline that most experts believe will worsen over the next 6-9 months before we reach a bottom. Some also believe once we finally reach a bottom, it will take several years before we start to see any signs of a recovery. I hope that what I hear regarding the economy is wrong, but my job is to plan and adjust in order to protect the integrity of our business and our member's experience.

The economy has and continues to negatively affect the prospects for High Country Club and the way we are able to operate. Since the beginning of 2008, we have seen our ability to raise capital become increasingly difficult, our investor sources have not come through, the ability to obtain credit is not available and consumer confidence has deteriorated. At the end of 2007, our net asset test showed that the net assets of the business exceeded the amount of our member refundable deposit obligations. During 2008, we have seen significant decreases in our property values versus our 2007 appraisals, which means the equity in our portfolio has greatly diminished over the past 10 month period. Membership sales have declined since the beginning of 2008 because of consumer fears, and with the economic events of the past 60 days, new sales have become next to impossible.

Over the past 6 months, we have evaluated all of our options. Along with our legal counsel and business advisors we have been working diligently to plan for the tough road ahead. HCC explored the possibility of merging with or being acquired by another club. HCC does not currently have any merger/acquisition offers pending from any destination club. In the event an offer was made, I would only accept an offer from a destination club if they could demonstrate an ability to operate their business with little or no new sales for an extended period of time due to the fact that in a declining economy, new membership sales will be extremely difficult. Simultaneously, we worked on multiple ways we could reshape our business so the success of the business would not be dependent on new membership sales, the real estate market or our ability to raise capital.

Our team has developed a self sustaining plan in which the annual membership dues collected from our existing members cover the entire operational costs of the business. Our Success Plan will allow HCC to operate through these tough economic times, enable us to preserve our member deposit obligations, and allow our members to continue enjoying the club for many years to come. Once the economy begins to recover, we will re-emerge with a new business model, which includes membership sales and new homes. A business model that is not dependent on

new member sales or the ups and downs of the economy. Our Success Plan will require full membership support. We respectfully ask you to consider the following:

- An increase in annual dues.
- Annual dues will be charged 1 year in advance, which is customary with all other clubs.
- Our portfolio will be reduced to 21 homes. 17 homes will be owned in order to build an equity position back up once the market begins to recover.
- Members will be charged the cleaning fee for each stay averaging \$200 per stay.
- Members will be allowed to book 2 years in advance.
- Members will be allowed to resign on a 1 in 1 out basis instead of the current 2 in 1 out.
- Members will be able to negotiate the sale of their membership to a potential new member under our new resignation policy.
- HCC will sell no new memberships, just memberships from the resignation list, until the market begins to recover.

Specific details on the above membership modifications will be provided in the News section on the website home page.

I recognize that we are asking our members to agree to something different than they had anticipated. However, we are in extraordinary times that require a new way to operate in order for us to succeed. Internally, our team has also made tremendous sacrifices. We have laid off 6 people on our team out of 11, all of whom have greatly contributed to the success of the business since the beginning. Our new team will consist of me, Dan, Chris, Nancy and Kristy. In addition, we have taken significant pay cuts to help ensure the plan works.

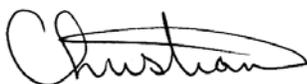
We will require our members to sign an Addendum to their membership agreement by November 14th in order for us to execute our Success Plan. In the event the vast majority of our members do not agree to the Success Plan, we will be forced to begin shutting down the business on the 17th. Members who choose not to sign the Addendum will unfortunately have their reservations canceled and will be placed on the resignation list.

Beginning today through the 14th, we will be in constant communication with our members. Due to the fact we have 375 members and now 5 employees, communication will need to take place primarily through email. Please do not call the office during this process unless absolutely necessary. We have set up a new email address successplan@highcountryclub.com and ask that members please send your questions to that address. Each day, we will update the Q&A section of the website with answers to member's questions as they are sent in. This process will go on every day through the 14th.

High Country Club has truly been a blessing to so many families as they have been able to escape from the day to day pressures we all face and truly focus on the things that matter in life like family, friends, and memories. I believe that the Success Plan will enable all of us to continue to break free from the realities of life and grow closer together with loved ones and further relationships for many years to come.

I sincerely appreciate your consideration of our Success Plan. I am hopeful that over the next 3 weeks we will be able to come together as a club and successfully thrive through the tough economic times ahead.

Respectfully,



Christian V. Kirschner