



**FOR IMMEDIATE RELEASE**

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**MOUNTAIN RESERVATIONS ACQUIRES VRGATEWAY**

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Combined companies join forces to create leading online vacation rental travel business

**SALT LAKE CITY, UT – January 21st, 2008** – Mountain Reservations Inc., owned by Kinderhook Industries and Castles Media Company, announced the acquisition of VRGateway Inc. The acquisition, which includes VRGateway’s consumer-facing vacation rental website [www.Rooster.com](http://www.Rooster.com), will expand Mountain Reservation’s vacation rental business beyond the ski industry and accelerate its development of industry-leading technology to enhance consumer experience in the category.

“This transaction is a significant step towards the realization of our overall Company goal which is to provide consumers with the largest online source of vacation rental properties,” said Julian Castelli, CEO of Mountain Reservations. “The vacation rental industry is very fragmented today, and the consumer is frustrated by the lack of a centralized source for booking travel in this category. We see a major opportunity to build this source by consolidating inventory and building first class tools to allow consumers to plan, shop and book their vacations online.”

Mountain Reservations currently provides its customers with the widest selection of private homes, condos and town homes for short-term rental available in the ski industry, with strong presence in markets such as Aspen, Vail, Breckenridge, Park City, Deer Valley, Whistler, and Jackson Hole. With this acquisition, the Company will expand its geographic footprint to include popular beach destinations such as Outer Banks, Myrtle Beach, Hilton Head, and Destin. The combined company will market and sell over 200,000 units of vacation rental inventory in over 300 destinations across the US, Canada, Mexico, and the Caribbean.

Technology is another important factor driving the acquisition of VRGateway. The

VRGateway booking engine provides scalable online booking capabilities and the backend connectivity to leading Property Management Systems. “Aggregating inventory with real-time rates and availability is a challenge in the vacation rental industry because of the disparate systems. We see the backend connectivity platform as a must-have in order to provide our customers with the ability to book vacation rentals in a manner similar to the way they would book a hotel online,” said Castelli.

The combined Company plans to launch a new consumer-facing travel site in the second quarter 2008 that will aggregate the mountain and beach inventory under a new brand name. The new site will provide travelers with an easy to use, one-stop-shop for finding and booking vacation rentals online. The site will also offer other trip-related products such as lift tickets, ski rentals, ground transportation, golf packages, and travel insurance.

The combined Company will continue to merchandise only professionally-managed vacation rentals. “When one of our customers books a vacation rental, they will have the “peace of mind” that comes with the assurance that there will be professional staff on hand to assist with their check in, and any other needs they have during their vacation,” said Castelli. The Company values its partnerships within the property management industry, and is making major investments in order to build out the industry’s largest and most cost-effective distribution channel.

#### About Mountain Reservations

Headquartered in Park City, UT, Mountain Reservations Inc. operates over 80 web sites that offer consumers with the widest selection of vacation properties available for short and long-term rental. The Company’s sites serve as destination specific information guides allowing the consumer to plan their entire vacation, including the ability to reserve transportation, lift tickets, equipment rentals, and plan dining options. Mountain Reservations provides the consumer with a spectrum of full-service options from complete online reservations to trip planning and advisory help from certified agents with experience and training in specific destination resorts such as; Park City and Deer Valley in Utah, Aspen, Breckenridge, Vail, and Steamboat, in Colorado, Jackson Hole, Wyoming, Sun Valley, Idaho and Whistler, Canada.

#### About Kinderhook

Kinderhook Industries, LLC (“Kinderhook”) is a private equity firm with \$470 million under management. Kinderhook partners with highly talented management teams to pursue private equity investments in non-core divisions of public companies, management buyouts of entrepreneurial-owned businesses and troubled situations and existing small capitalization companies lacking institutional support. Kinderhook's principals have completed in excess of fifty transactions, investing over \$1.0 billion throughout their investment careers. Representative investments include companies in the health care services, basic manufacturing and business services

industries. More information regarding Kinderhook can be found at [www.kinderhook.com](http://www.kinderhook.com).

#### About Castles Media Company

Castles Media Company was created to operate highly targeted media properties in attractive vertical markets. Castles Media currently operates Mountain Reservations, Inc. a leading marketing and sales channel for the Vacation Rental industry. Castles Media plans to acquire and develop several category-specific media properties that can generate significant value by connecting buyers and sellers more efficiently and with greater utility than traditional mass media. More information regarding Castles Media can be found at [www.castlesmedia.com](http://www.castlesmedia.com).

#### About VRGateway

Founded in 2006, VRGateway is the Web's first Vacation Rental "Super Search" site providing direct connectivity between consumers and hundreds of thousands of professionally managed vacation rental properties. Headquartered in Bethesda, MD, VRGateway's team of travel and technology experts work with leading suppliers to provide quick and easily accessible inventory online for research and booking. Thanks to its proprietary technology, today's most widely-used reservation management systems are able to interface directly with VRGateway. In addition, since companies list properties and activities without a fee and pay on a per-reservation basis, VRGateway offers an affordable and effective way of marketing vacation rental inventory online and nationwide.

#### **About us**

*Mountain Reservations is the leading online provider of professionally-managed vacation rentals with more than 80 Web sites – including [www.mountainreservations.com](http://www.mountainreservations.com), [www.rooster.com](http://www.rooster.com) and [www.islandescapes.com](http://www.islandescapes.com) – that feature over 200,000 vacation-rental properties in more than 300 markets. The company offers the largest selection of vacation rentals available on the Internet with the best support services and guaranteed best pricing. Mountain Reservations is expanding its business this summer to offer private homes, condos, townhomes and resort lodging across North America and the Caribbean through its new brand, [www.vacationroost.com](http://www.vacationroost.com). For more information, visit [www.mountainreservations.com](http://www.mountainreservations.com).*