

We regret to inform you, that while we have made every effort to keep the Telemark Lodge doors open to allow us to complete the resort sale to Telemark Partners, LLC we have not achieved our goal. Every requirement on our side of the transaction has been fulfilled. However, the buyers continued delays in completing the purchase agreement funding components have put the TIOA at financial risk. Those essential funding components, including timely payment of earnest money, confirmation of purchase price funding, confirmation of a sale closing date and most importantly a pledge of operational support dollars have not materialized.

In anticipation of completing the sales transaction, we have continued operations past the March 31 closure deadline approved in the Board resolution at the October TIOA Annual meeting. We believed that continued operations were the best path to completing the approved sale. Without the delivery of pledged support funds, our decision to remain open was at additional expense to the TIOA.

In spite of all our efforts to sustain operations, the doors of Telemark Lodge will close at midnight on Wednesday May 5, 2010. Continuing the hotel based operations beyond this date without the promised support would place the TIOA at even greater risk of financial loss.

The closure will mean that all lodge-based operations including indoor and outdoor pool, restaurant and lounge will cease on May 5 at midnight. With the closure, owner use of the Lodge Suites within the hotel will not be possible. At this time, the impact of our RCI status is undetermined. Many recreation opportunities will still be available including but not limited to: bicycle rental, mini-golf, disc golf, tennis, boat rental and children's play area.

We will continue to focus on the sale of the resort in coordination with our established broker. Previously received sales leads will be revisited, new ones will be researched and we will continue our discussions with Telemark Partners, LLC. Our economic survival and the survival of the Telemark Lodge depend on the sale of the resort. We will expend every effort to find a buyer. Any new purchase agreement would require the owner approval process before moving forward.

Between this April 27 announcement and the May 5 closure date the staff will focus on efforts to close down the hotel operations. Each department will have a punch list of assignments that will be completed prior to closing. Confirmed business client contracts will be canceled, TIOA and RCI condo guests and hotel guests who have made reservations will be notified. Essential services and offices will be moved to new locations in the condo buildings. We anticipate setting up administration, owner's services and check in/out in 1603 of the Christiana Villas.

It is clear that this hotel shut down announcement will impact the receipt of 2010 maintenance fees. In this challenging time, the continued receipt of owner fees is key to continued Christiana Villas and Telemark Pointe operations and asset protection. We require everyone's assistance to help us with that focus to preserve our assets. Our budget and expenses will be monitored closely as we go forward. Adjustments to our continued operations will be made as the reality of our situation dictates. We understand your disappointment but must ask that owner accounts be kept current so we can preserve the assets we have.

The main conduit of information for owners will be on the Owners Page of the Telemark Resort web site. Please consult the www.telemarkresort.com web site frequently

for further updates of our status. If you have not done so already, we encourage you to join the TIOA Owners Yahoo email group. Instructions can be found on the web page.

The main email contact for your owner questions will be Telemark@cheqnet.net. At this time the other email contacts on the owner's page will still be active.

Our intent is to provide a more thorough update to each owner through a future TIOA newsletter to be produced and mailed this spring. Following our lodge shut down and transition to condo only operations, after further financial and legal review and following additional resort sales efforts, we will have more answers to your anticipated questions.

This is a very serious state of affairs for the TIOA and its future survival. The Board of Directors, management, legal counsel and real estate broker have met continually via conference calls and in person to assess the harsh realities of our situation. We continue to formulate decisions that will preserve the TIOA and its assets.

What is in store for the TIOA? We do not have all the answers for all of your questions at this time. Indeed, there is no set script for what we are experiencing at the moment.

We share everyone's disappointment in the failure to finalize the resort sale in a timely fashion. We pledge to continue our efforts to complete a sale. We will work to maintain stability for the TIOA now and in the future.

With continued hope for our positive future,

TIOA Board of Directors