

Dear Fellow Shareholder:

A few months ago, I wrote to you concerning a potential structural issue confronting Rockywold-Deephaven Camps. Because of steady growth in numbers of shareholders and in the stated value of the corporation, RDC was in danger of becoming a “public company”, an event which would require us to comply with complex federal securities regulations. I observed that we on the Board of Directors believed that these regulations would prove extremely burdensome to the camps, threatening its long-term profitability, and I asked your help in providing us with some potentially useful data.

Fortunately, more than 80% of you responded, and because of the information we have received we do not believe we are in immediate danger of becoming a public company. Therefore, the Board has decided to proceed slowly in addressing the issue before us. As I will discuss below, we have set aside any consideration of a reverse stock split for the time being. Instead we will pursue voluntary measures in the hope that we can solve our problem without the use of compulsory means.

You may recall from my earlier letter that a key goal was to discover how many of our shareholders were “accredited investors” under federal law. To summarize the issue briefly: a corporation is considered a “public company” if it has more than 500 shareholders and has a stated value of more than \$10 million. RDC currently has 538 shareholders and we expect our book value to cross the \$10 million mark in a few years, due to continuing reinvestment in our physical plant. However, the law also states that accredited investors (defined as individuals with a net worth in excess of \$1 million exclusive of their primary residence) are exempted from the shareholder total.

Because of your responses to my earlier inquiry, we have determined that about half our shareholders are considered accredited and thus are not counted against the 500 shareholder test. This important finding indicates that RDC does not face a near-term danger of becoming a public company and being subject to federal oversight.

Nonetheless, longer-term risks remain, and the RDC Board still believes we should consider making changes to our shareholder structure to protect the camps from the threat that our regulatory status might change. RDC has nearly 5,000 shares outstanding, with a large and growing concentration of shareholders who own three or fewer shares. If this trend continues, the potential problem we face is likely to become ever greater, forcing a future Board to face an even more difficult challenge.

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We believe we have two broad choices before us: to implement a reverse stock split of some magnitude as I discussed in my earlier letter, or find a way to encourage our owners to purchase larger blocks of shares, and thus minimize future risks through voluntary means. Because we prefer “carrots” to “sticks” and believe market-based solutions could provide us with adequate long-term protection, we have decided to set aside any consideration of a reverse stock split for the time being. Instead, we will focus our energies on devising methods for encouraging our owners to consider purchasing additional shares, or consolidating those that are broadly disbursed within families. As ever, our goal is to maintain traditional operations as much as possible.

At this point, I will not go into details about how we might accomplish this objective. We believe this subject requires further study before we initiate a public discussion. Part of our work will entail a careful analysis of what may be legally and practically possible for us to consider. We also want to solicit your perspective on the various options that we consider worthy of consideration. We expect to send you a short survey in coming weeks, and hope that again you can provide us with useful information on this important subject. Our goal is to have a full discussion of the options before us at the 2013 Annual Meeting in September.

In the meantime, I urge you to complete our earlier questionnaire if you have not already done so. It will only take a moment, and your confidential response is important to us. The questionnaire can be found on the RDC web site. I also invite you to share your thoughts and concerns with me or other members of the Board. Your opinions matter to us greatly. We recognize that as shareholders of RDC we all have a common interest in preserving and maintaining the camps for future generations.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "R. S. Wood". The signature is written in a cursive, slightly stylized font.

Richard S. Wood, Chair

RDC Board of Directors