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Vacation Ownership Brings Variety to Meet Every Traveler's Need *Industry Encourages Travelers to Explore Timeshare Opportunities*

(Washington, May 8, 2008)—As the summer travel season nears, the American Resort Development Association (ARDA) offers the following tips for consumers considering their vacation ownership options:

To enjoy the benefits of vacation ownership, or timesharing, consumers make a one-time purchase of a share of furnished resort accommodations, choosing from a wide range of products designed to suit any lifestyle. Vacation owners enjoy spacious accommodations, a variety of on-site amenities and services, and flexibility in their travel options through vacation exchange. By trading some or all of the time they own, consumers can take advantage of different vacation experiences at thousands of resorts around the world.

All shared ownership resort interests come in two basic forms: a deeded interest in real estate and a right-to-use, or non-deeded, interest. These two basic forms are called by many names—some required under state law and others adopted for marketing purposes. However, the majority of shared ownership resorts today convey a use right backed by a *deeded interest in real property*—by whatever name it may be called. Deeded real estate interests are usually called “timeshare estates” under state law, and non-deeded interests are “timeshare uses” or “timeshare licenses” officially, but may also be called “memberships.”

Timeshares. Traditional timeshares regardless of whether they are backed by a deed or not, allow buyers to purchase an increment of time, typically one week, in a condominium or apartment type of furnished accommodation. Timeshare owners receive either a fixed week or a floating time reservation arrangement that may vary by unit type and season. More than two-thirds of timeshare interests today are deeded.

Fractional/private residence club. These owners typically purchase accommodations with related use rights in increments of more than two weeks and sometimes as long as three months (a quarter share). This type of ownership is almost always deeded and is a more affordable alternative to a second home. Owners benefit by avoiding the ongoing maintenance responsibilities of an entire second home, and usually enjoy a high level of service as part of the product. This product segment is considered the luxury tier of shared ownership.

Vacation club. This name generally describes a company or related group of resorts that offers consumers vacation accommodations in more than one location. When a consumer purchases an interest in a “vacation club,” it is either deeded or non-deeded like any other vacation ownership interest. If the vacation club interest is deeded, the consumer is usually said to own at a “home” resort at which he or she has a priority right of use. Even if the vacation club interest is not

deeded, the consumer could still have a home resort or could have a “membership” in the club that entitles him or her to use any of the club’s component resorts. Vacation clubs offer highly flexible use of multiple resorts, subject to certain advance reservation priorities and rules. Some well-known timeshare companies market their properties as a vacation club that provides their consumers with both a deeded interest in real property and multi-site flexibility.

Exchange. An exchange company allows existing timeshare owners to trade their timeshare interests for comparable accommodations and travel-related services. Most resorts are affiliated with an exchange company, and many resort companies also offer an internal exchange mechanism that allows owners to exchange to resorts within their resort group. If an internal resort exchange is mandatory or long-term, it is usually considered to be a vacation club. Fractional and private residence club resorts may offer exchange opportunities for their owners as well. Some exchange companies have a special program for these kinds of resorts.

Points. Points are another aspect of vacation ownership that allows consumers to use their vacation product in a highly flexible fashion. Points are simply a numeric representation of the relative use management value of the timeshare or fractional interest purchased—which again can be either a deeded or non-deeded interest. There are a few companies that offer “pure points” without the sale of an underlying specific timeshare interest. By purchasing points in any of their formats, the consumer can use their points to reserve different combinations of accommodation sizes, locations and seasons, and may also be able to acquire a variety of travel services depending on the rules of the timeshare company. Think of points like tickets—symbolic of the product or service being used or reserved.

Vacation ownership is highly regulated. The various products described above must comply with strict standards set forth in state timeshare laws as well as several federal laws before being offered to consumers. For nearly 40 years, ARDA members have worked with federal and state governments to support consumer protection legislation. As a result, purchasers have a five- to seven-day rescission period in most states that allows them time to cancel a purchase contract for any reason and get their money back. Further, most state timeshare laws require truth in advertising, protect purchasers’ timeshares from the developer’s debt, and assure that purchasers receive detailed information about the timeshare plan they are buying, including the type of timeshare interest, how to use the product, management and budget information and much more. State timeshare laws usually apply whether the vacation product is called a timeshare, fractional, private residence club, vacation club or points product.

Know what you are buying. ARDA and its member companies urge consumers to know what vacation product they are purchasing by reading the contract carefully and asking questions about their vacation purchase. For more information and consumer tips, please visit ARDA at www.arda.org.

The American Resort Development Association is the Washington D.C.-based professional association representing the vacation ownership and resort development industries. Established in 1969, ARDA today has over 1,000 members ranging from privately held firms to publicly traded companies and international corporations with expertise in shared ownership interests in leisure real estate. The membership also includes timeshare owner associations (HOAs), resort management companies, and owners through the ARDA Resort Owners Coalition (ARDA-ROC).