

CODE OF ETHICS 1/7

1. UNDERLYING PRINCIPLE

No activity whether of an advertising or promotional nature or otherwise conducted by any member, its subsidiaries, agents, servants or employees shall be conducted in such a manner as to bring Vacation Ownership into disrepute or reduce the confidence of the public in the Vacation Ownership Programmes in Thailand.

2. TERMS

2.1 "Advertising" is the solicitation for the purchase of Vacation Ownership Programmes through any print or electronic media advertising, direct mail activity, placards, billboards or other outdoor or indoor display media and sales literature whether this be distributed by hand, by mail, by door to door delivery, or with personal correspondence.

2.2 "Association" means the Thai Vacation Ownership Association or the collective body of Ordinary Members and Associate Members thereof.

2.3 "Developer" includes any corporation, partnership, joint venture, individual, or other person which owns or holds an equitable interest in a Vacation Ownership Programme, whether as the original owner or equitable interest holder, or as a successor, in whole or in part, to the interests of the original owner or equitable interest holder.

2.4 "Exchange company" includes any corporation, partnership, firm joint venture individual or other person who operates an exchange programme as described in 5.1(5).

2.5 "Item" includes any premium, gift, award, prize, or anything of value offered or distributed to a consumer by a Firm in connection with the solicitation or the sale of Vacation Ownership.

2.6 "Promotional activity" is any advertising or contact with a view to the promotion of the Vacation Ownership Programme whether by telemarketing or direct marketing through personal solicitation onsite or offsite, or through any onsite or offsite sales presentation or any transaction including any personal communication, audio/visual programme, telephone communication, site visit or tour, or other direct selling activity.

2.7 "Vacation Ownership Programmes" shall mean any timesharing/vacation/holiday ownership scheme/programme and is a term that covers the various methods of purchasing or using or purchasing the rights to use holiday homes, apartments, villas, hotels, condominiums or other properties in a Vacation Ownership or clubsharing property, whether in Thailand or elsewhere that such scheme/ programme operates. Such ownership scheme/programme may be in the form of, but not limited to:

(1) "Fee Simple/Freehold Ownership" is the purchase of an interest in real property of which the purchaser receives legal title to the property.

(2) "Clubsharing/Club Ownership" is the purchase of a fee simple/freehold ownership and/or right to use ownership in two or more properties and where such properties are utilised in accordance with club rules and regulations.

(3) "Right To Use Ownership" is a holiday arrangement in which a purchaser is entitled by contract to use or occupy the holiday accommodation for a specified period of time for which the right to use scheme/programme whether in Thailand or elsewhere is to operate. Purchasers of such schemes/programmes acquire no legal title to the real property or properties comprising the Vacation Ownership Programme.

2.8 "Vacation Ownership Activities" include feasibility analysis, planning, financing, site selection, acquisition, design, applications, approvals, site preparation/construction, marketing, sales, management and operations processes and other developing and marketing activities relating to the Industry.

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3. MEMBERS' OBLIGATIONS

Members shall :

3.1 support the Association, comply with the Rules contained in its Constitution, the Code of Ethics and any regulations and bylaws in force and uphold its prestige and reputation within the public and the community at large;

3.2 act at all times in a professional manner to uphold the highest standards of courtesy and integrity, to build a reputation for fairness and respect and to enhance the public image of the Industry, and particularly:

(1) to strive to protect the public against misrepresentation and unethical practices in Vacation Ownership transactions;

(2) to give strict professional service to any person and to present only quality Vacation Ownership or clubsharing developments;

(3) to provide adequate and accurate information and explain thoroughly all terms and contracts to prospective purchasers;

(4) to present accurate, honest and quality advertising which reflects a true picture and presents an honest view of Vacation Ownership in all representations made to the public;

(5) to ensure that there is adequate disclosure without misrepresentation;

3.3 so conduct business as to minimise any discord or disunity with other members;

3.4 if a dispute eventuates between members, such members may submit such dispute to the Executive Committee of the Association for conciliation before: any legal or other action is commenced;

3.5 at all times, be fully responsible for the actions of their servants, employees or agents and for all other persons acting for their benefit or on their behalf;

3.6 own and readily make available for occupation sufficient apartment/condominium/accommodation units to match the number of membership or sales they have sold.

3.7 own and readily make available for occupation at least one resort/property for members' utilization and exchange; (save and except the situation where the apartment/condominium/accommodation units are still under construction).

3.8 in relation to any exchange and reciprocal use programmes of which they are participants, honour their commitments to avail reciprocal or exchange members the holiday accommodation of the Vacation Ownership/clubsharing property arranged;

4. PROHIBITIONS

Members shall not :

4.1 represent financial investment to prospective purchasers as a motive for purchase unless an approved prospectus is issued in connection with such Vacation Ownership Activities since capital appreciation of Vacation Ownership interests cannot be projected into the future;

4.2 represent or in any way guarantee that Vacation Ownership Programmes can readily be re-sold; unless such a programme is offered and guaranteed by the seller.

4.3 give undertakings to buy back the Vacation Ownership Programme, unless the same is specified or written in the prospectus, sales literature or transaction documents;

4.4 guarantee that exchange will be achieved in all circumstances, particularly to resorts/properties of high demand in seasons of high demand;

4.5 attempt to upset or negate an arrangement already entered into by another member with a purchaser, if the seller is aware of such arrangement.

4.6 infer that they are, or represent, another organisation.

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4.7 exert undue influence, pressure or persuasion on potential purchasers to the detriment of the public perception of the resort/property or the Industry.

4.8 publicly criticise the resort/property, staff or practices of another member or competitor, unless they are contrary to the provisions of this code;

4.9 indulge in any form of advertising nor convey by any means whatsoever, information to the public that is confusing or misleading;

4.10 breach in the spirit, apart from in the letter, the Rules, principles, objects, regulations and the Code of Ethics of the Association.

5. STANDARDS & ETHICS REQUIREMENTS

5.1 General Requirements:

(1) Applicability:

(i) All members of the Association shall be subject to this Code, including their principals, owners, officers, and directors. Association members shall also be responsible for the actions of their employees, agents, brokers, and independent third party contractors, regardless of whether such persons are members of the Association.

(ii) Any member that solicits or sells Vacation Ownership units or any related products to consumers shall be subject to this Code, regardless of the actual location or the point of sale of the vacation ownership or clubsharing resort/property.

(iii) The provisions of this Code shall be applicable to all forms of contracts, print advertising, sales, solicitations and other Vacation Ownership Activities.

(2) General Requirements For Vacation Ownership Activities:

(i) All Vacation Ownership Activities subject to this Code must comply with all local, national (and, where applicable, international) laws and regulations.

(ii) The provisions of this Code shall apply except where laws or regulations in the applicable jurisdiction provide otherwise.

(3) Information, Descriptions and Disclosures:

(i) All information, descriptions or disclosures required to be given under this Code, whether oral, written or graphic, must be accurate and clear.

(ii) All such information, descriptions or disclosures must be consistent with one another (oral sales presentations or transaction descriptions, for example, must not conflict with sales literature or transaction documents).

(iii) If written, the information, descriptions or disclosures must be easily located, conspicuous and readable.

(iv) If oral or written, they must be in terms easily understandable by consumers.

(4) Avoidance of False and Deceptive Statements: Statements made in conjunction with vacation ownership activities, including all sales and solicitations:

(i) Must not convey false, untrue, deceptive or misleading information through statements, testimonials, photographs, graphics or any other means; and

(ii) Must not omit material information without which the solicitations or sales information would be deceptive or misleading or which would affect consumer decision-making.

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(6) The above provisions in this section shall apply only to initial offerings or contracts and not to renewals offered directly by the Exchange Companies, Reciprocal, use Organisations, etc.

5.2 Solicitation and Sales Presentation Requirements:

(1) Verbal and Written Disclosure Requirements:

- (i) Solicitations must not state or imply in any way that they are made by or originate from a government or other public agency, unless the company is, in fact, said government or other public agency, unless the company is, in fact, said government or other public agency.
- (ii) Solicitations must not state or imply that they are from bill collection firms, credit reporting agencies, law offices or public services, unless the company is, in fact, such.
- (iii) Solicitations must not lead persons, by text or graphics, to conclude that the materials are issued by or on behalf of a recognised mail, delivery or communications service in national or international commerce to which the soliciting firm is not related.
- (iv) Fictitious "contests" or other similar schemes must not be used to solicit consumers or for any other purposes.
- (v) The recipient of solicitations must not be referred to as "winners", told that they have "won" an item or be informed that the item is an "award", "prizes", "gift" or is "free" (or any similar terms) unless all terms, conditions and obligations upon which the offer/item is contingent, are clearly and conspicuously set forth so as to not mislead the public.
- (vi) Prior to attending a sales presentation, the following must be disclosed to the person solicited:
 - (a) The purpose of the solicitation;
 - (b) Whether there are any additional costs associated with making the item operational;
 - (c) The eligibility requirements to receive the award, gift or prize or other thing of value
 - (d) Whether there are any restrictions or conditions on the right to receive the item or to otherwise participate;
 - (e) The approximate duration of any sales presentation or development tour; and
 - (g) Shall not be represented by way of description, name, pricing, narrative copy or graphic depiction in any manner that tends to mislead or deceive the consumer as to the true nature, value, size or kind;
- (vii) Solicitations that include the offer or distribution of items to consumers in the form of certificates, coupons, cheques, stamps or other documents representing something of value (including, for example, travel or lodging certificates) must comply with these requirements and obtain any required approval from relevant governmental authorities:
 - (a) Any restrictions or conditions on the redemption or use of the certificates must be fully disclosed and precisely described;
 - (b) If the consumer must pay any fee, charge or other expenses to, this must be disclosed;
 - (c) The certificate document itself must disclose all restrictions or conditions;
 - (d) Restrictions and conditions may not be modified or added which result in the delivery of a product or service to the recipient which has less utility or value than that originally offered; and
 - (e) Lengthy delays, onerous procedures or other inhibitions that have the purpose or effect of discouraging redemption or use of the certificates must not be imposed.
- (2) Electronic Media Advertisements: Solicitations using electronic media advertisements (i.e. radio, television, etc.) need not provide all of the disclosures required by this Code for solicitations, but such advertisements must be accurate and consistent with other solicitation or sales information provided to consumers.

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5.3 Sales Requirements:

(1) Disclosure and Description of the Vacation Ownership Programme:

(i) The Vacation Ownership Program must be precisely described in the sales contract, using easily understandable terms.

(ii) If applicable, the sales contract must also disclose whether, and the manner in which, the Vacation Ownership Programme may be revised, modified, amended, or changed and whether such revisions, modifications, amendments or changes may be made without the consent of the purchaser.

(2) Accurate Disclosures: The rights and responsibilities of both the consumer and the firm must be accurately disclosed in all sales contracts.

(3) Limited Time Offers: Representations must not be made that there is a limited time for the consumer to accept the terms of an offer if such, in practice, is not the case.

(4) Contract Documents:

(i) must be written in Thai language for Thai nationals and in understandable terms;

(ii) must be consistent with information, disclosures and representations provided in the sales presentation; and

(iii) must be available for the consumer to review at the time of sale, before signing; and

(iv) must include the name, address and telephone number of the developer of the Vacation Ownership Programme and the firm marketing the Vacation Ownership Programme on behalf of the developer

(5) Completion, Owners' Associations, Rules, Post-Sale Management and Fees: These aspects of the development, if applicable, must all be disclosed at or before closing:

(i) Owners' associations formed, if applicable, and structured to preserve and protect the development and the consumers' interests in it;

(ii) Arrangements for responsible providers of management services including disclosure of the identity of the management entity; whether the development firm has a financial interest in the management services company; the duration of the management services contract; and whether new management services may be selected and, if so, how they are selected;

(iii) Current rules applicable to use of amenities, and state whether amenities such as recreational facilities, common areas, beaches, pools, tennis courts and any other are part of the vacation ownership programme and if usage is subject to separate fees or charges;

(iv) The current level of membership fees or assessments as well as arrangements for collecting them; whether fees or assessments may be increased on an annual or other basis; any limitations on the amount of such increase; and the person(s) entitled to impose any increase; and

(v) Procedures, if any, for changing any of the above

(6) Closing and Payment:

(i) If closing costs are charged to the consumer, the itemized amount of each cost must be disclosed.

(ii) There must be disclosure as to who is to be responsible for recordation of documents, and when and where the documents are to be recorded (where applicable).

(iii) The financial, installment and payment obligations of the consumer must be disclosed, in accordance with applicable law.

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(7) Rescission:

- (i) Members of TVOA will provide consumers with a three (3) day cancellation period
- (ii) Such rights may not be waived by the purchasers.
- (iii) Purchaser must cancel within three (3) working days in writing. Developers/ marketers must refund 100% of funds received from purchaser, within 21 days of receipt of cancellation notice, less the amount of any value received by the purchaser in conjunction with the purchase of the Vacation Ownership Program

(8) Marketing Company Requirement:

Marketer shall :

- (i) Require the new member to disclose his interest and relationship to resort(s) and product(s).
- (ii) Require any new members to produce an original letter from the developer stating that the member has the authority to sell the product, and what type of vacation interest can be sold.
- (iii) Require the developer of the project to issue a letter describing the legal protection afforded a purchaser in the event to the marketer fails to perform under its agreement with the developer.