



Rethinking, Reformulating, Reviving

This year's show perhaps could be called "opposites in balance." The celebration of ARDA's 40th Anniversary alongside the opening Think Tank session; the bright sunshine-venue of the Marriott World Center juxtaposed with the gravity of the three different State of the Industry panels, whose leaders offered ways to work with the "new normal."

Overall, this Convention served as an excellent platform for understanding one of the most difficult times in our history.

"In such a trying year for our industry, I think it is a true testament to the fortitude and enthusiasm of ARDA members that we had 2900 people register for the convention," said Catherine Lacey, vice president of ARDA meetings. "We heard time and again from exhibitors that although the show was smaller, the right people were there and that business was brisk in the hall. We also had record numbers of participants attend educational sessions. The ARDA Meetings Committee is to be commended

for all the work they did to re-tool the programming for relevance and value."

Committee Highlights

One of the top priorities at ARDA is to gather topic-groups who work on set programs and then make important recommendations to the Board of Directors. Here are a few notes from some committee meetings.



Federal Issues



Hon. Congressman Alan Grayson (D-FL)



Stu Rothenberg

This meeting was a lively one, with addresses given by Stu Rothenberg, editor and publisher of the *Rothenberg Political Report*, and Congressman Alan Grayson (D-FL), a member of the House Financial Services Committee. Rothenberg discussed the current political landscape, while Grayson addressed the legislative landscape of Congress and the positive economic impact that timeshare has on Central Florida. Rothenberg looked at job approval ratings of President Obama and what's top on his presidential agenda now; he also gave his thoughts on where the country was going and whether the economy was improving, and addressed the Employee Free Choice Act (card check). Committee Chair Andrew Marcus, Esq., led the other discussions, calling on Jeff Stern and Sam DePoy to report on progress on the Troubled Asset Relief Program (TARP)/Term Asset-Backed Securities Loan Facility (TALF). Other topics included Americans with Disabilities Act (ADA), the Real Estate Settlement Procedures Act (RESPA), and Red Flags Rule Compliance.



State Leg



South Carolina State Rep. Alan Clemmons

The highlight of the State Legislative Committee meeting, chaired by Mike Andrew, was a special address from SC State Representative Alan Clemmons. Each major state committee (ARDA Arizona through ARDA Rockies) reported out on activities and pressing issues, as did some individual states. Jerry Kilgore gave the State Attorney's General Activity update, followed by what's happening internationally—most notably on the Caribbean front, as well as in Canada and Europe.

There were many Caribbean-focused events throughout Convention—tracked sessions and meetings—as a strategic alliance was forged between ARDA, the Caribbean Hotel and Tourism Association (CHTA), and the Caribbean Society of Hotel Association Executives (CSHAE). Leaders from these two associations joined members of ARDA in Orlando for their two-day annual leadership meeting, discussing ways all three groups could work more closely together through the revival of ARDA-Caribbean. At the Caribbean Committee meeting, members discussed top 2009 priorities, including public





relations/communications efforts, industry research proposals, and legislative advocacy needed on various islands. The meeting concluded with a welcome reception to honor the visiting guests and ARDA members, with a thank-you to sponsors of this special track and other activities (Baker & Hostetler LLP; Ballard Spahr Andrews & Ingersoll, LLP; First American Title Insurance Company; Foley & Lardner LLP; and Greenberg Traurig LLP). Stay tuned for more activity from the newly revived ARDA-Caribbean!

Program Recap

The schedule had a lively beat this year. Perhaps this was due to the layout of the venue, with its ceilings that spilled sunshine into the moments between sessions and panels, exhibit hall meetings and receptions. Attendees also gathered in small impromptu groups in the large chairs that scattered the foyers, making interaction fluid and frequent throughout the day's scheduled events.



Sunday

The Kick-Off Party, held in conjunction with the Group RCI/AIF Open Golf Tournament, was a brilliant affair held on the Spa Terrace of the Marriott. Palm trees and blue skies greeted newly arriving Convention attendees and golfers alike, making for a new party component to Convention that was both festive and functional. What better way to start the four busy days than with a relaxed dinner shared among industry partners and colleagues, followed by an awards presentation for the golf tournament?



Monday

Monday was packed with various committee meetings, but the day's real feature was a new endeavor for ARDA: the Industry Think Tank, designed to dissect the new normal for the timeshare industry created by the current economy. More than 250 industry leaders joined break-out tables for an interactive candid sharing of ideas and discussions of strategies to redefine the successful timeshare business model for the future. Each table had a Thought Leader, a Discussion Facilitator, and a Scribe. This three-hour think tank featured presentations on the credit markets, "change management" theory, and a practical case study on capitalizing on opportunity.

To help prime the Think Tank table discussions, participants were asked to answer these questions:

- (1) **Current State.** What are we doing well that we should continue? What should we discontinue or alter? What are we not doing that we should do?
- (2) **Future State.** What emerging opportunities should we explore?
- (3) **Roadmap from Current to Future State.** What should we have to do to put these ideas into action?

It should not be surprising that the three recurring themes of what the industry does well were our core competencies: (1) providing quality customer service, (2) selling the vacation ownership experience, and (3) delivering a quality product.

Most Think Tank participants believed that if we discontinued only a





few things, we would experience a sea change in how our industry conducts business. Ideas ranged the gamut of eliminating OPC marketing to relying less on consumer finance revenue and more on a resort development profit made on the sale of the product. The responses to what we should “alter” were many and varied. An executive summary, as well as “sound bites” from the table discussions, were posted online in late April for think tank participants’ review and comment. A final presentation of recommendations will be made to the Board of Directors for consideration at the June meeting in Boston.

The afternoon concluded with the feature opening general session, with a celebration of ARDA’s 40th Anniversary video trailer and then the introduction of the keynote speaker, Dr. Jeffrey Rosensweig. Rosensweig is a global economics forecaster and expert on global investing and business strategy, who offered an insightful presentation on the state of today’s economy and what the future looks like across the broad scale. This rolled right into the welcome reception in the spacious Exhibit Hall (Cypress Ballroom), as the booths opened and drinks and hors d’oeuvres were served (sponsors: Disney Vacation Club, Hyatt Vacation Ownership, Holiday Inn Club Vacations, Marriott Vacation Club International & Starwood Vacation Ownership). For those with special invites, a reception for Trustees and guests, sponsored by Wells Fargo Foothill, was held on the sunny Spa Terrace, as a refreshing way to end the day.

Then it was a change of pace, change of clothes, and everyone was off to the Hard Rock Live Orlando for the ICE Breaker Party! This year featured a cover

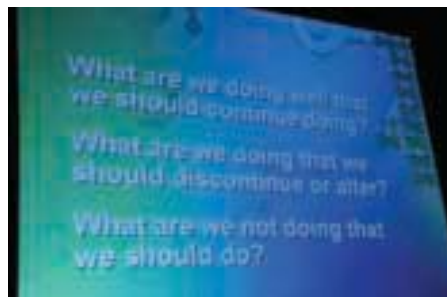
band, fun dancing, and a rooftop deck to relax with drinks and friends.

Tuesday

The day started bright and early with an ARDA Board of Directors meeting, after which the educational session waves began to “roll in,” swelling from “Fundamentals of Finance” all the way through the Women’s Educational Workshop on Thursday.

The main feature was a different approach to the opening session, a “State of the Industry in Three Parts,” with Advocates, Communicators, and CEOs. “The Advocates” (moderated by Howard Nusbaum, with panelists Jeff DeBoer, Real Estate Roundtable; Roger Dow, U.S. Travel Association; Jerry Kilgore, former Attorney General of Virginia, now with Williams Mullen) discussed the kinds of meetings they each have had with Treasury, Federal Reserve banks, and state government leaders. All of them spoke about the need for constructive dialogue on solutions and ways to open credit markets and find financial sources to help rebound the economy.

“The Communicators” (moderated by Jim Lewis, with panelists Adam Schwartz, Wyndham Vacation Ownership; Robert Tappan, Weber Merritt; David Kerr, Resort Trades) tackled the component of messaging during difficult times, discussing how “the difference between winning and losing will be based on communications,” as Lewis noted. They talked about transparency to and education of employees; regular dialogues with elected officials and positioning our industry as an advocate and “protector of U.S. vacations”; and staying on a consistent, simple message to consumers, banks, and



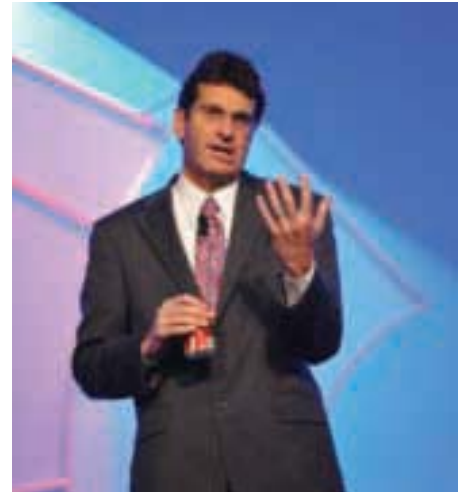


Wall Street. This will require a common theme or established set of stats for everyone's reference to stay on message.

"The CEOs" (moderated by Jon Fredricks, with panelists Franz Hanning, Wyndham Vacation Ownership; Don Harrill, Holiday Inn Club Vacations; Steve Weisz, Marriott Vacation Club International) handled more of the topics like selling in a downturn, with new policies of higher down payments and shorter loan terms; moving away from the "financing" business to a real shared ownership business; and working with permanently changed lending models. As

Hanning noted, "We will be a stronger industry in the brave new world—but it will never be the same."

After a day of busy meetings, sessions, and forums, Interval International's Party with a Cause at the House of Blues in Orlando offered a great outlet for socializing and unwinding, with entertainment by The Spinners and the special grand prize AIF Auto Driveaway drawing. Bob Wengel, RRP (Star Resort Group), was selected as the new owner of the SLK Mercedes-Benz, closing out the AIF fundraising activities at Convention with quite a flourish.



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Together we'll go far



“We will be a stronger industry in the brave new world—but it will never be the same.”

Wednesday

The main program highlight of the final full day was the afternoon Resales Forum, “Shaping Resale for the Future.” For several years, ARDA has been seeking options to address the most common media and consumer complaints about the lack of a viable secondary market. This year’s interactive forum aimed to take the next steps to complete the discussion and move forward with a real plan industry-wide.

To that end, Chairman Francis T. Eck and Darla Zanini, RRP (executive vice president, AIF), introduced the three main topics (disclosure, transparency, and ARDA compliance). The interactive workshop format, using different tables, then began, with targeted discussion groups of brokers, sales personnel, developers, exchange companies, Internet resales companies, listing agents, etc. There was lively discussion, with time to report out on each table’s main points under each of the three topics. These ideas were collected, made into summary form, and passed on to Stephany Madsen (ARDA’s Senior VP of

Special Projects), who is now working with key ARDA staff to develop draft policies for review and discussion at the ARDA Board’s June meeting.

Thursday

The last morning brought attendees together to hear the inspiring story of a U.S. Olympian and gold-medal swimmer, Janet Evans, at the Breakfast of Champions (sponsored by Hilton Grand Vacations). Janet spoke on how she overcame her small size and other odds to become a winning swimmer and then a champion, sharing at the end some tips for how anyone can become a champion in life. Some of her achievements include several world records, with three gold medals at the 1988 Seoul Olympics; a gold and silver at the 1992 Barcelona Olympics; and one last appearance in Atlanta in 1996, where she cited running the Olympic torch as the highlight of her whole career. Considered the greatest female distance swimmer of all time, some of her world records have yet to be broken.

The morning and the entire Convention program ended with the women’s educational workshop, “Welcome to the Girls Club: How the Face of the Workplace Has Changed.” All in all, what a fantastic representation of members, products, and services in a true meeting of the minds—and perhaps our best ARDA ever! **D**

