2010 First Quarter Pulse Survey:
A Survey of Timeshare & Vacation Ownership Resort Companies

Prepared for the ARDA International Foundation

American Resort Development Association

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To the Research Committee of
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Dear Members of the Committee:

Deloitte & Touche LLP (Deloitte & Touche) is pleased to submit the results of the *2010 First Quarter Pulse Survey: A Survey of Timeshare & Vacation Ownership Resort Companies.* Our services were performed and this report was developed in accordance with our engagement letter dated December 1, 2009, and is subject to the terms and conditions included therein.

Our services were performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we are providing no opinion, attestation, or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available by the survey respondents through April 27, 2010. Accordingly, changes in circumstances after that date could affect the findings outlined in this report.

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Deloitte & Touche LLP

April 30, 2010

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Although the information in this report has been obtained from sources that Deloitte & Touche believes to be reliable, we do not guarantee its accuracy, and such information may be incomplete. This report is for information purposes only.

All opinions and estimates included in this report constitute our judgment as of April 30, 2010, and are subject to revision.

2010 First Quarter Pulse Survey

Preamble

This survey is a summary of selected key metrics that provide an overview of the vacation timeshare industry in the United States. It is not a comment on any individual company, whose performance may vary from the information included in this study.

Overview and Key Findings

To provide current information on the financial performance of the timeshare industry, ARDA International Foundation engaged Deloitte & Touche LLP (Deloitte & Touche) to conduct the first quarter 2010 survey of U.S. timeshare companies that were in active sales during the quarter. The results cover 27 responding companies with aggregate net originated sales of approximately $1.1 billion in the first quarter 2010. The financial information contained in this survey includes first quarter 2010 (Q1 2010) compared to first quarter 2009 (Q1 2009), except for section 1(A) which compared Q1 2010 to the fourth quarter of 2009 (Q4 2009). The following summarizes the key findings of the survey.

1(A). Consumer timeshare loan portfolios experienced increased currency and decreased delinquencies as well as a significant decrease in chargeoffs when comparing Q4 2009 and Q1 2010

The amount of consumer loans that were current or fewer than 31 days past due as of March 31, 2010, increased 0.6 percentage points from one quarter earlier and the percent of consumer timeshare loans that were more than 120 days delinquent decreased 0.2 percentage points for the same time periods. The amount charged against the allowance for uncollectible accounts in Q1 2010 was 0.8 percentage points lower than Q4 2009.

1(B). Consumer timeshare loan portfolios experienced increased delinquencies with a slight decrease in chargeoffs when comparing Q1 2009 and Q1 2010

Survey respondents reported that payments for 88.4 percent of the dollar value of their consumer loans were current or fewer than 31 days past due as of March 31, 2010, representing a 0.9 percentage point decrease from one year earlier. As of March 31, 2010, 7.1 percent of consumer timeshare loans were more than 120 days delinquent, which is 1.5 percentage points higher than one year earlier. The amount charged against the allowance for uncollectible accounts in Q1 2010, as a percentage of the gross outstanding portfolio balance, was 2.2 percent, down from 2.3 percent in Q1 2009.

2. Resort occupancy decreased slightly, but remained strong at 71.1 percent in the first quarter

Average occupancy levels decreased 0.6 percentage points to 71.1 percent in Q1 2010 compared to Q1 2009. One resort company reported a Q1 2009 to Q1 2010 occupancy decrease of 13.0 percentage points, the next largest decrease was 8.7 percentage points. Although the average occupancy levels decreased, eight resort companies had increased occupancy from Q1 2009 and four resorts reported no change from Q1 2009.

3. Timeshare sales volume increased slightly in the first quarter

Aggregate net originated sales, including telesales, increased 2.3 percent from Q1 2009 to Q1 2010. The average transaction value, a measure of the average dollar value of consumer purchases that reflects multiple factors such as changes in product mix, pricing, and purchasing patterns, was $18,047 during Q1 2010, an increase of 4.2 percent from Q1 2009. Volume per guest (VPG), a measure of the average value of consumer purchases per sales tour, was $2,702 during Q1 2010, an increase of 8.4 percent from Q1 2009.

4. **Consumer financing terms remained stable as average down payments increased in the first quarter**

   The results of this survey indicate that the average new consumer timeshare loan term was longer by 0.3 months at approximately 117.4 months in Q1 2010 compared to Q1 2009. The average down payment on non-upgrade sales increased by 3.4 percentage points to 18.8 percent from Q1 2009 to Q1 2010 while interest rates increased 0.1 percentage points to 13.9 percent.

5. **Further job losses are expected by some developers in the second quarter 2010**

   Survey respondents indicated that 115 positions were eliminated in Q1 2010. Respondents also reported that over 45 additional full-and part-time positions are expected to be eliminated in the second quarter of 2010, adding to over 6,400 positions that were eliminated during 2009 and the first quarter of 2010.

6. **As the economy recovers, some developers start to grow**

   Survey respondents indicated that over 500 positions were added in Q1 2010.

Survey Results

The following summarizes the survey results.

1(A). Consumer timeshare loan portfolios experienced increased currency and decreased delinquencies as well as a significant decrease in chargeoffs when comparing Q4 2009 and Q1 2010

The composition of receivables portfolios[1] was evaluated as of March 31, 2010, and compared to compositions as of December 31, 2009. The total aggregate receivables for the companies that provided receivables data was $11.7 billion as of March 31, 2010 and $11.8 billion as of December 31, 2009.

Receivables portfolios showed a decrease in delinquencies (greater than 31 days past due) as of March 31, 2010, compared to one quarter earlier. Respondents reported that payments for 88.4 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of March 31, 2010, 0.6 percentage points higher than one quarter earlier. Also, as of March 31, 2010, 7.1 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, 0.2 percentage points lower than one quarter earlier. Most respondents reported an increased share of current loans; only five respondents reported a decreased share of current loans.

Figure 1A. Aging of consumer timeshare loan portfolios by survey respondents

	December 31, 2009	March 31, 2010	Increase/(Decrease)
Current	87.8%	88.4%	0.6%
31 to 60 days	2.3%	2.1%	(0.2%)
61 to 90 days	1.3%	1.3%	0.0%
91 to 120 days	1.3%	1.1%	(0.2%)
More than 120 days	7.3%	7.1%	(0.2%)
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on a minimum of 25 company survey responses. The fourth quarter 2009 data herein was obtained from the 2009 Fourth Quarter Pulse Survey.

Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during the first quarter, as a percentage of gross outstanding portfolio balance at period-end. The weighted average default rate in Q1 2010 was 2.2 percent, down from 3.0 percent in Q4 2009. Fifty-nine percent of respondents reported a decrease in the default rate from Q4 2009 to Q1 2010.

[1] Receivables portfolio is defined as the total portfolio of consumer timeshare loan receivables held and/or serviced by the company, including securitized and hypothecated receivables, and receivables for sales made in earlier years.

1(B). Consumer timeshare loan portfolios experienced increased delinquencies with a slight decrease in chargeoffs when comparing Q1 2009 and Q1 2010

The composition of receivables portfolios was evaluated as of March 31, 2010, and compared to composition as of March 31, 2009. The total aggregate receivables for the 26 companies that provided receivables data was $11.7 billion as of March 31, 2010, and $12.0 billion as of March 31, 2009.

Receivables portfolios showed an overall increase in delinquencies (greater than 31 days past due) at March 31, 2010, compared to one year earlier. Respondents reported that payments for 88.4 percent of the value of their loan portfolios were current (measured as fewer than 31 days past due) as of March 31, 2010, 0.9 percentage points lower than one year earlier. Also, as of March 31, 2010, 7.1 percent of consumer timeshare loan portfolios by dollar value were more than 120 days delinquent, 1.5 percentage points higher than one year earlier. Most respondents reported a reduced share of current loans; only ten respondents reported an increased share of current loans.

Figure 1B. Aging of consumer timeshare loan portfolios by survey respondents

	March 31, 2009	March 31, 2010	Increase/(Decrease)
Current	89.3%	88.4%	(0.9%)
31 to 60 days	2.3%	2.1%	(0.2%)
61 to 90 days	1.7%	1.3%	(0.4%)
91 to 120 days	1.1%	1.1%	0.0%
More than 120 days	5.6%	7.1%	1.5%
Total	**100.0%**	**100.0%**	

Source: Deloitte & Touche based on 26 company survey responses.

Respondents were asked to report a default rate measured as gross defaults charged against the allowance for uncollectible accounts during the first quarter, as a percentage of gross outstanding portfolio balance at period-end. The weighted average default rate in Q1 2010 was 2.2 percent, down from 2.3 percent in Q1 2009. Most respondents reported an increase in the default rate; however, ten respondents reported a decrease from Q1 2009 to Q1 2010.

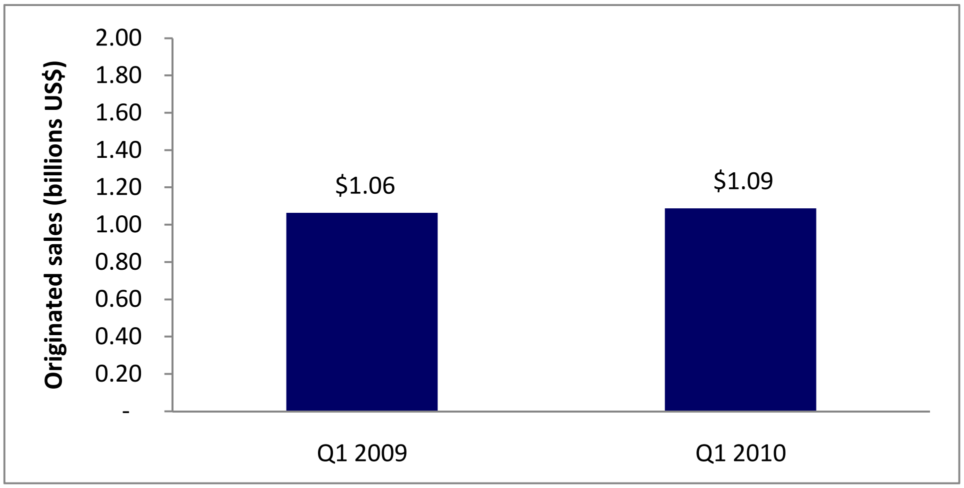
2. Resort occupancy decreased slightly, but remained strong at 71.1 percent in the first quarter

Survey respondents were asked to provide information on timeshare unit occupancy. For the 26 companies that provided quarterly occupancy data, representing approximately 7 million room nights in Q1 2010, the average occupancy rate decreased 0.6 percentage points to 71.1 percent in Q1 2010, compared to 71.7 percent in Q1 2009.

3. Timeshare sales volume increased slightly in the first quarter

Companies provided data on a set of key sales indicators. In total, the 27 respondents that provided sales information reported approximately $1.1 billion in net originated timeshare sales[2] (including telesales) in Q1 2010. This was 2.3 percent greater in Q1 2010 compared to Q1 2009, as reported by the same respondents.

Figure 2. Net originated sales (including telesales)



Source: Deloitte & Touche based on 27 company survey responses.

Twenty-six companies reported net originated sales excluding telesales. Twenty-four of those respondents provided detailed information on the number of tours and twenty-six on the number of sales transactions. The companies reported approximately $1.0 billion in net originated sales (excluding telesales) in Q1 2010; also reported that the aggregate number of tours[3] decreased 10.1 percent in Q1 2010 compared to Q1 2009; reported the aggregate number of sales transactions decreased 1.5 percent, and the calculated aggregate average close rate (excluding sales that are canceled through rescission) increased 0.4 percentage points; and reported the average transaction value increased 4.2 percent, resulting in a 1.9 percent increase in net originated sales (excluding telesales).[4]

Average transaction value is calculated as the dollar value of net originated sales divided by the number of sales transactions and excludes amounts such as closing costs that are not included in net originated sales. It is a measure of the average purchase amount per buyer during a given period and is potentially influenced by numerous factors, including the mix of timeshare products sold. For example, in a given period, buyers may purchase a greater mix of one-bedroom units or biennials[5], resorts may have fewer high season intervals available, or new resorts may open for sales. As a result, the average transaction value may change even though there were no changes to existing pricing.

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[2] Net originated sales refers to gross sales revenues net of rescissions, but before reduction of revenue for uncollectible accounts.

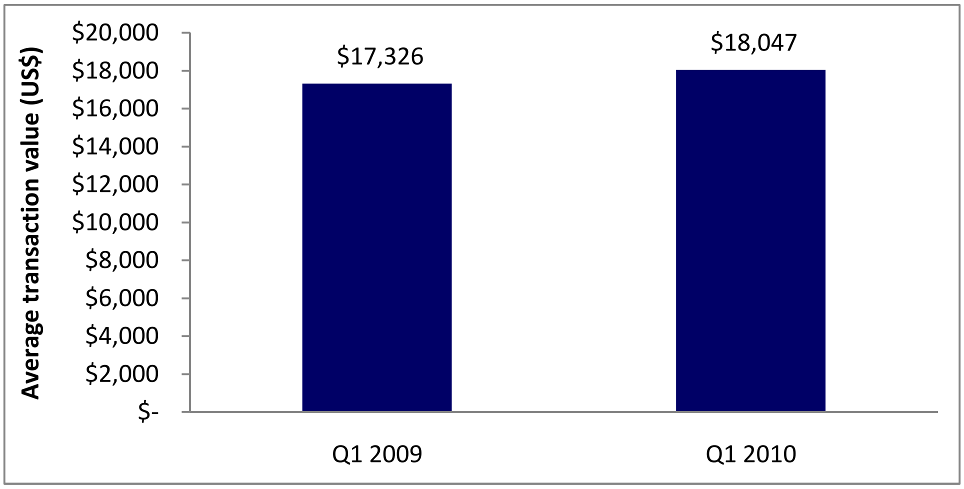
[3] This represents the number of tours taken by guests in the company's efforts to sell timeshares, including all tours of sales prospects, whether they occur on-site or at an off-site sales center.

[4] Telesales are sales that are conducted by telephone. Telesales are typically made to existing owners and were excluded from this analysis of sales measures because they do not involve the typical tour process used for sales at on-site or off-site sales offices.

[5] Biennial products allow owners to use intervals every other year, instead of each year.

As a further reflection of the multiple factors that can impact this measure, the responses differed by company. Ten respondents reported average transaction value had increased from Q1 2009 and fourteen reported the value had decreased.

Figure 3. Average transaction value

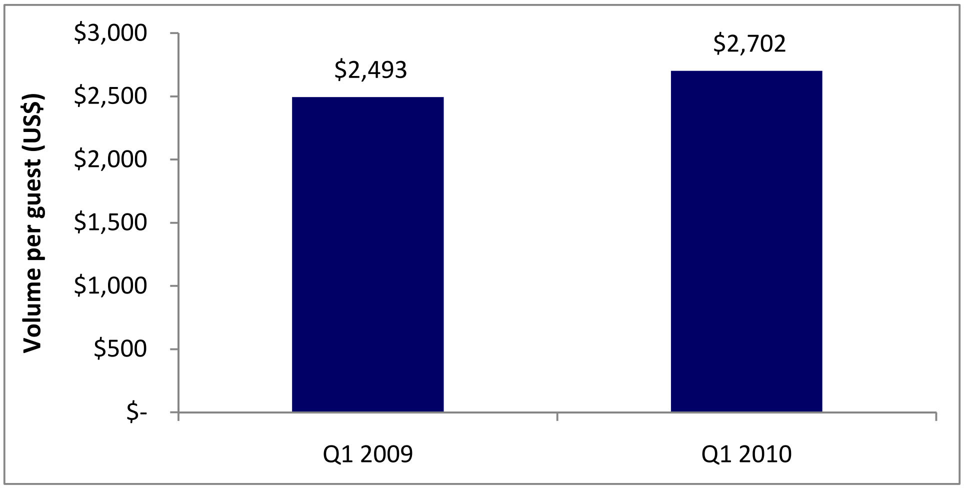


Source: Deloitte & Touche based on 24 company survey responses.

Volume per guest (VPG)[6], a measure of sales efficiency, is calculated as net originated sales per tour, increased by 8.4 percent from Q1 2009 to Q1 2010.

[6] VPG is calculated as net originated sales not including telesales, divided by the number of tours.

Figure 4. Volume per guest



Source: Deloitte & Touche based on 23 company survey responses.

Among the companies that provided key sales indicators, 22 provided rescission information. The weighted average rescission rate[7] among those companies was 13.8 percent in Q1 2010, a decrease of 1.4 percentage points from Q1 2009. Fourteen companies reported a decrease in rescissions between Q1 2009 and Q1 2010, while eight reported an increase.

4. Consumer financing terms remained stable as average down payments increased in the first quarter

Information on the characteristics of new financing provided to consumers at the point of sale was collected and aggregated.[8] The average interest rate on new consumer loans in Q1 2010 was 13.9 percent, an increase of 0.1 percentage points from Q1 2009. There was a 0.3 month increase in the term for which loans are made, with average loan terms in Q1 2010 remaining slightly below 10 years, or approximately 117 months.

Respondents were asked to provide the average down payment on upgrade sales separate from non-upgrade sales.[9] This is because purchasers of upgrades can frequently count the equity in their existing vacation ownership interest toward the down payment that they are making on the upgrade interest. As a result, down payments on upgrade sales are typically higher than on non-upgrade sales, and a change in the mix of upgrade and non-upgrade sales could impact the overall average down payment. Twenty-five respondents reported that the average down payment on non-upgrade sales increased 3.4 percentage points to 18.8 percent of the stated sales price on financed sales in Q1 2010 compared to Q1 2009. Twenty-three respondents reported that the down payment on upgrade sales, which includes the value of equity in the owners' existing vacation ownership interest, was 48.0 percent in Q1 2010, an increase of 0.1 percentage points from Q1 2009.

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[7] Measured as the dollar amount of rescissions as a portion of gross sales.

[8] To calculate the average interest rate, down payment, and term, responses were weighted by the dollar value of net originated sales (including telesales).

[9] An upgrade sale is a transaction whereby a customer relinquishes the right to a currently held timeshare interval and obtains a higher-priced timeshare interval from the same seller.

Figure 5. Characteristics of consumer timeshare loan financing

	Q1 2009	Q1 2010	Increase/(Decrease)
First quarter			
Average:			
Interest rate (annual)	13.8%	13.9%	0.1%
Term (months)	117.1	117.4	0.3 months
Non-upgrade down payment (% of price)	15.4%	18.8%	3.4%
Upgrade down payment (% of price)	47.9%	48.0%	0.1%

Source: Deloitte & Touche based on a minimum of 23 company survey responses

5. Further job losses are expected by some developers in the second quarter 2010

Survey respondents were asked to report the number of full- and part-time positions eliminated as a direct result of the current economic conditions from January 1 through March 31, 2010. Six companies responded, indicating a total of 115 positions were eliminated, representing approximately 0.7 percent of the average annual workforce at these respondent companies in 2009 prior to the reduction. In addition, three companies indicated that a total of 46 full- and part-time positions are expected to be eliminated between April 1 and June 30, 2010, adding to over 6,400 positions that were eliminated during 2009 and the first quarter of 2010.

6. As the economy recovers, some developers start to grow

Survey respondents were asked to report the number of full- and part-time positions added from January 1 through March 31, 2010. Nine companies responded, indicating a total of 511 positions were added during Q1 2010.

The following table shows the quarterly survey results in aggregate.

ARDA International Foundation – 2010 First Quarter Pulse Survey					
2010 First Quarter End Results	Quarter Ending March 31 2009	Quarter Ending March 31 2010	Increase/ (Decrease)	Increase/ (Decrease) Percent	Survey Responses
General Characteristics					
1. Ownership status (public or private)	Public: 26% Private: 74%	Public: 30% Private: 70%			27
Receivables Portfolio					
2. The following questions refer to the portfolio of receivables (total held and/or serviced receivables, including securitized and/or hypothecated receivables), including receivables for sales made in earlier years.					
a. Gross outstanding portfolio balance, at period end (in dollars)	$12,023,896,725	$11,734,454,671	($289,442,054)	(2.4%)	26
b. At period end, on a contractual basis what percentage of the dollar amount of this portfolio was:					
Current (current or fewer than 31 days delinquent)	89.3%	88.4%	(0.9%)	(1.0%)	26
Between 31 to 60 days delinquent	2.3%	2.1%	(0.2%)	(8.7%)	26
Between 61 to 90 days delinquent	1.7%	1.3%	(0.4%)	(23.5%)	26
Between 91 to 120 days delinquent	1.1%	1.1%	0.0%	0.0%	26
More than 120 days delinquent	5.6%	7.1%	1.5%	26.8%	26
Total should equal 100%					
c. Gross defaults (total amount charged against the allowance for uncollectible accounts during period as a percentage of gross outstanding portfolio balance at period end)	2.3%	2.2%	(0.1%)	(4.3%)	23
Resort Occupancy					
3. Timeshare occupancy mix by type. Report based on physical occupancy, meaning actual guest check-in occurred.					
a. Occupied (owner or owners' guest, exchange guest, renter, and marketing guest)	71.7%	71.1%	(0.6%)	(0.8%)	26
b. Vacant	28.3%	28.9%	0.6%	2.1%	26
Total should equal 100%					
c. Total available room nights during period (This will be used to calculate the weighted average occupancy rate for the response set.)	7,025,856	7,280,666	254,810	3.6%	26
Selected Sales Metrics (Including telesales)					
4. Sales metrics. Include telesales in the following responses.					
a. Net originated sales (in dollars)	$1,062,830,650	$1,087,333,768	$24,503,118	2.3%	27
b. Rescissions (Calculate as a percentage of gross sales by dollar value. Exclude depositary rescissions, which are situations in which the buyer has made a deposit but hasn't yet provided the down payment necessary to qualify the transaction as a contract sale.)	15.2%	13.8%	(1.4%)	(9.2%)	22
Selected Sales Metrics (Excluding telesales)					
5. Sales metrics. Exclude telesales from the following responses. Include sales to existing owners and other in-house guests.					
a. Number of tours. Represents the number of tours taken by guests in the company's efforts to sell timeshares. Include all tours of sales prospects, whether they occur on-site or at an off-site sales center.	478,276	430,094	(48,182)	(10.1%)	24
b. Number of sales transactions (exclude rescissions) (Transactions should include: week sales, EOY sales, multiple-week sales, upgrades (that count as zero weeks), points sales, and reloads (which should be part of all categories above, except upgrades). Transactions should not include sales of Sampler programs.)	66,769	65,788	(981)	(1.5%)	26
c. Close rate (excludes sales that are canceled through rescission)	15.4%	15.8%	0.4%	2.6%	
d. Net originated sales excluding telesales	$990,344,921	$1,008,734,502	$18,389,581	1.9%	26
e. Volume per guest ("VPG"). Represents timeshare sales revenue per guest and is calculated by dividing net originated sales, excluding telesales, by the number of tours.	$2,493	$2,702	$209	8.4%	
f. Average transaction value (this is calculated based on net originated sales and excludes any charges not reflected in net originated sales, such as closing costs)	$17,326	$18,047	$721	4.2%	

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2010 First Quarter End Results	Quarter Ending March 31 2009	Quarter Ending March 31 2010	Increase/ (Decrease)	Increase/ (Decrease) Percent	Survey Responses
Consumer Financing					
6. The following items refer to new financing provided to consumers during the period. For upgrade sales, use the characteristics of the new loan. For example, if an owner with $4,000 of equity and $6,000 principal balance outstanding on an existing loan purchases an upgrade vacation ownership interest with a stated sales price of $20,000, and uses the equity in their existing interval as the down payment, resulting in a new loan with a principal balance of $16,000, use the interest rate and term of that $16,000 loan.					
a. Average interest rate. Calculate as the weighted average for financing provided on financed sales each year, using the stated interest rate on the notes. For example, if 10 loans with an original principal balance of $9,000 carried a stated interest rate of 15 percent, and 20 loans with an original principal balance of $8,000 carried a stated interest rate of 13 percent, the weighted average would be 13.7 percent.	13.8%	13.9%	0.1%	0.7%	26
b. Average term (in months). Calculate the weighted average on financed sales following the example for Question 6a. Exclude sales that are cash or cash-out.	117.1	117.4	0.3	0.3%	26
c. Average down payment. Calculate the weighted average for financed sales only. For example, if 100 sales occurred at an average price of $10,000, and 10 were cash or cash-out within the first 90 days, 80 were financed with a $1,000 down payment ($80,000 down on $800,000 of sales) and 10 were financed with a $1,500 down payment ($15,000 down on $100,000 of sales), then the average down payment was 10.6 percent of the stated sales price on financed sales ($95,000 down on $900,000 of sales). Exclude sales that are cash or cash-out.					
c1. Average down payment on non-upgrade sales (as a percentage of stated sales price on financed sales)	15.4%	18.8%	3.4%	22.1%	25
c2. Average down payment on upgrade sales (In calculating the down payment on those sales that were upgrade sales, calculate the down payment as any cash down payment plus the amount of equity in the owner's existing vacation ownership interest, as a percentage of the stated sales price of the new (upgrade) vacation ownership interest.)	47.9%	48.0%	0.1%	0.2%	23
Employment Research Questions					
7. The goal of this question is to collect information on the total number of jobs that have been eliminated or are scheduled to be eliminated as a direct result of the current economic conditions. When responding include temporary or contract positions (but be careful to express this as an annual or quarterly average, not just the total number of employees for which a 1099 form is completed, for example). Include positions at managed resorts, sales operations, and regional office, corporate office and call center operations. Do not include eliminated positions that were a result of retirement or natural attrition.					
a. Number of full- and part-time positions eliminated as a direct result of the current economic conditions between January 1 and March 31, 2010.	115				6
b. Percentage of the average annual workforce in 2009 (prior to the reduction) that is represented by the figure in question 7a.	0.7%				6
c. Number of full- and part-time positions that are expected to be eliminated between April 1 and June 30, 2010 as a direct result of the current economic conditions.	46				3
8. Despite the current economic conditions and the employment results that are discussed in question seven above, there are some developers that are growing, and as a result are increasing the total number of jobs. When responding include temporary or contract positions (but be careful to express this as an annual or quarterly average, not just the total number of employees for which a 1099 form is completed, for example). Include positions at managed resorts, sales operations, and regional office, corporate office and call center operations. Do not include new employees that have replaced employees as a result of retirement or natural attrition.					
8a. Number of full- and part-time positions added from January 1, 2010 to March 31, 2010.	511				9

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Method

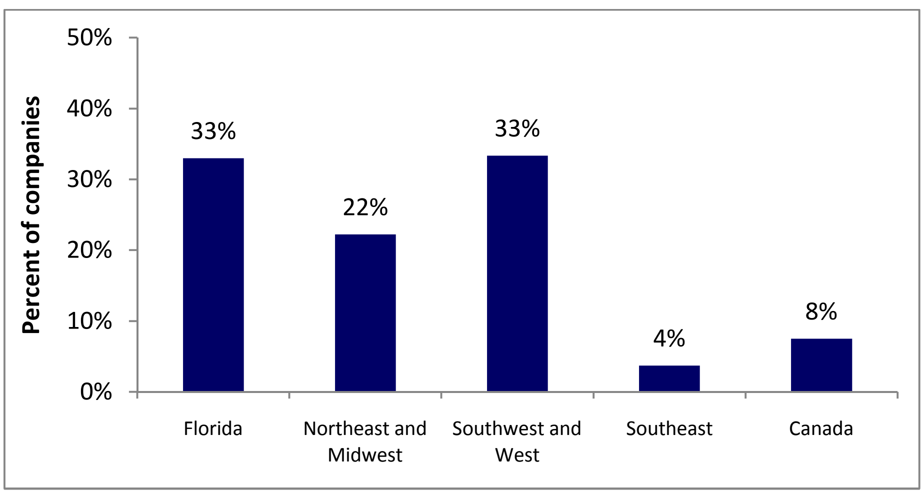
The 2010 First Quarter Pulse Survey was conducted by Deloitte & Touche on the behalf of ARDA International Foundation. The purpose of the research was to compile current data and to provide a current perspective on the timeshare industry's financial performance.

Deloitte & Touche developed the survey instrument in connection with input from ARDA International Foundation and industry participants. Deloitte & Touche distributed the survey directly to 57 timeshare and vacation ownership companies on April 12, 2010. The survey collection efforts focused on companies generating the largest volume of timeshare sales and companies that participate as board members of the American Resort Development Association (ARDA). Deloitte & Touche followed up with the companies by telephone and e-mail to encourage responses. Deloitte & Touche ended the survey collection effort on the April 23 deadline, though additional responses received after the deadline were included in the analysis. By April 27, 2010, 27 companies, or 47 percent of those surveyed, responded.

During the data analysis phase, Deloitte & Touche contacted several of the respondents with follow-up questions about specific answers they provided. Responses to some questions that were left blank or were unusual were ultimately excluded from the analysis. Though a total of 27 responses were collected, most questions (other than headquarters location and sales information) were not answered by all 27 respondent companies as indicated in the "survey responses" column on the "Aggregate Results" tables.

The response base includes major companies in the U.S. timeshare sector. The 27 respondents that provided sales information reported aggregate Q1 2010 net originated sales, including telesales, of $1.1 billion. Eight of the 27 companies are publicly traded companies, and five of the 27 are affiliated with major hotel brands. The survey is focused on the U.S.; considering the location of companies' headquarters provides an indication of the geographic regions represented by the response base. Many of the U.S. respondents are based in the Southeast, including nine in Florida and one in another Southeastern U.S. location, though companies in the Northeast and Midwest region, Southwest and West region, and Canada also responded.[10]

Figure 6. Distribution of companies by headquarters location, 2010



Source: Deloitte & Touche based on 27 company survey responses.

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[10] Regional definitions: Florida (FL); Northeast and Midwest (CT, DC, DE, IA, IL, IN, KS, KY, MA, MD, ME, MI, MN, MO, ND, NE, NH, NJ, NY, OH, PA, RI, SD, VA, VT, WI, WV); Southeast (AL, AR, GA, LA, MS, NC, SC, TN); and Southwest and West (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OK, OR, TX, UT, WA, WY).

To effectively interpret the survey results it is important to understand that the survey is not a projection as it is not based on a random sample of companies, nor is it a census of all companies. The survey is based on responses from participating companies that account for a predominance of industry sales, and this is one of the reasons it is seen as a valuable resource.

The companies that participated in this survey are not identical to those that participated in prior editions of the Pulse Survey or of the Financial Performance Survey, which is an annual survey conducted on behalf of the ARDA International Foundation. The most recent previous Pulse Survey reported on activity through the fourth quarter of 2009. The current Pulse Survey functions similarly as a timely source of information on several key statistics, with a focus on the first quarter of 2010. Due to the relatively large size of some of the companies participating, the changing composition of the response base can materially impact the results reported in this version compared to previous editions. Also, the timeshare industry experiences changes in activity levels during different seasons of the year. It is not accurate to compare the Q1 2009 and Q1 2010 results presented in this edition with results shown in reports of earlier periods without understanding that the response base and reporting period have changed.

Unless otherwise noted specifically as simple averages, all averages in this report are weighted averages. For example, responses to questions related to sales topics, such as volume per guest, are weighted by net originated sales volume.

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