



Joining Forces to Deliver Outstanding Vacation Services

CODE OF STANDARDS AND ETHICS

of the

COOPERATIVE ASSOCIATION OF RESORT EXCHANGERS, INC.

PREAMBLE

The Cooperative Association of Resort Exchangers, Inc. (C.A.R.E.) and its Members are committed to the highest standards and ethics in the resort vacation industry for the benefit of owners of individual resort owner(member)ships and of the clients of the C.A.R.E. Members. C.A.R.E. exists to raise the level of professionalism and perceived value of service within the vacation industry and to serve as an international vehicle to enhance the business of C.A.R.E. Members through education, professional standards, industry organization involvement, and industry networking. All Members of C.A.R.E., C.A.R.E. Affiliate Companies, Member Representatives and C.A.R.E. Member Responsible Party (ies) agree to comply with this Code of Standards and Ethics which establishes guidelines for Members to conduct business ethically, with integrity, dignity, and honesty.

TERMS

- A. The term “C.A.R.E. Member” (or “Member”) shall include any resort, development, corporation, partnership, sole proprietorship, or entity which has made application to and been accepted as a bona fide member of the C.A.R.E. organization and shall further include those categories of Members as may be set forth in the By-laws of C.A.R.E.
- B. The term “C.A.R.E. Member Representative” (or “Member Representative”) shall include those individuals either directly employed by or representing a C.A.R.E. Member at any C.A.R.E. function and/or in a capacity acting on behalf of the C.A.R.E. Member to the C.A.R.E. organization, other C.A.R.E. Members, and/or the vacation industry.
- C. The term “C.A.R.E. Member Responsible Party” (or “Member Responsible Party”) shall be that individual designated as being the person responsible for all actions of that C.A.R.E. Member.
- D. The term “C.A.R.E. Affiliate Company” shall be that company that is operated under an otherwise known name, or DBA and shares the same tax identification number as the Applying Member Company and is approved by the C.A.R.E. Board of Directors as a C.A.R.E. Member.

E. The term “Development” shall include any resort, vacation, residential, or community real estate development, land, property, building, structure, improvement, amenity, or facility, and all rights and interests appurtenant thereto.

STANDARDS AND ETHICS

ARTICLE I

C.A.R.E. Members, Member Representatives, C.A.R.E. Affiliate Companies and each C.A.R.E. Member Responsible Party shall support the concept of resort to resort inventory trading as a means of offering and procuring quality vacation experiences and service to C.A.R.E. Members and their clients.

ARTICLE II

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall endeavor to become and remain informed on matters and trends affecting the vacation industry and shall further endeavor to eliminate any practices which could prove damaging to the consumer and/or to the vacation industry.

ARTICLE III

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall endeavor to exhibit a positive example for the vacation industry by abiding by all state, provincial and/or federal legislation pertinent to and governing the purposes, activity, and practices for which a C.A.R.E. Member exists, as well as any national and/or international laws pertinent to and governing a particular Development due to its location.

ARTICLE IV

C.A.R.E. Members, C.A.R.E. Member Affiliate Companies, Member Representatives, and Member Responsible Party shall protect, promote, and represent the C.A.R.E. organization and their respective companies honestly and in a professional manner to fellow C.A.R.E. Members, to the vacation industry, to their respective clients, and to the clients of C.A.R.E. Members. C.A.R.E. Members, Member Representatives, and Member Responsible

Party shall further protect, promote, and honestly and fairly represent the interests of their respective clients and the clients of fellow C.A.R.E. Members.

ARTICLE V

C.A.R.E. Members, C.A.R.E. Affiliate Companies, Member Representatives, and Member Responsible Party shall avoid misrepresentation and/or concealment of pertinent facts relating to any resort property, vacation, or travel activity, to all affected parties including actual or potential owners, clients, guest occupants, and Members.

ARTICLE VI

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall endeavor to maintain a level of competent service in keeping with the highest standards of the vacation industry. C.A.R.E. Members shall refrain from making unfounded, false or misleading statements regarding other C.A.R.E. Members, individuals, or non-C.A.R.E. Member companies or entities associated with or a part of the vacation industry.

ARTICLE VII

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall respect the individual clients of fellow C.A.R.E. Members and shall refrain from soliciting those clients. It is acknowledged that solicitation of a client of a C.A.R.E. Member while said client is a “guest” at another C.A.R.E. Member Development is not in violation of this Article VII; nor is general advertising by a C.A.R.E. Member in violation of this Article VII.

ARTICLE VIII

C.A.R.E. Members, C.A.R.E. Affiliate Companies, Member Representatives, and Member Responsible Party and shall support the concept of rental activity of resort property between and among C.A.R.E. Members.

ARTICLE IX

C.A.R.E. Members and C.A.R.E. Affiliate Companies may not claim to represent a specific resort or Development without the express written permission of the authorized representative of that resort or Development. Furthermore, C.A.R.E. Members may not represent that they have available accommodation inventory or the right to use such inventory at a particular resort or Development without the express and proper authorization of the owner of specific inventory at the resort or Development or the express written permission of the authorized representative of that resort or Development.

ARTICLE X

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall confirm in written form all reservation and cancellation transactions whether the transaction is of direct trade or rental. All transaction confirmations shall be issued to the receiving C.A.R.E. Member in a timely manner as agreed between the affected C.A.R.E. Members. At the time any confirmation for accommodations is issued by a C.A.R.E. Member, said issuing C.A.R.E. Member recognizes and accepts the ultimate responsibility for guaranteeing those specific accommodations, unless through an Act of God such confirmed reservation shall be rendered impossible to honor.

ARTICLE XI

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall convey to their respective clients that any and all damages incurred to the specific reserved accommodation(s) shall be the responsibility and liability of the C.A.R.E. Member's client occupying the accommodations and that such C.A.R.E. Member shall cooperate and assist the host Development, if necessary and requested by the host Development, in the collection of any fees and/or costs associated with the damages incurred upon presentation to the C.A.R.E. Member by the host Development of an appropriate itemized report and request for payment.

ARTICLE XII

The procedures for the administration and enforcement of these Standards and Ethics shall be governed by the C.A.R.E. Standards and Ethics Committee as set forth in the By-laws of C.A.R.E.

ARTICLE XIII

C.A.R.E. Members and C.A.R.E. Affiliate Companies shall at all times conduct business fairly, honestly, professionally, and with respect and goodwill to uphold the highest ideals of the vacation industry.

ARTICLE XIV

C.A.R.E. Members and C.A.R.E. Affiliate Companies acknowledge that C.A.R.E. is not an exchange company, does not own or control any type of inventory or guarantee fulfillment of travel requests, and/or rental or sale of any type of inventory, services or products. C.A.R.E. is a trade association that provides a networking platform for its Member companies. C.A.R.E. Members or their representatives shall not advertise or represent in any manner that fulfillment of travel requests, and/or rental of any type of inventory, services or products will occur or is guaranteed as a result of Member affiliation with the C.A.R.E. organization.

The intent of the Code of Standards and Ethics of C.A.R.E. is to establish ethical and professional practices for its membership within the vacation industry. The intent of this Article XV is to further interpret these standards and ethics for the travel club industry.

A. TERMS

1. The term "Travel Club" shall include any corporation, partnership, sole proprietorship, joint venture, group, individual or other entity engaged in the sale of a vacation membership product wherein such membership is not a "Development Interest" in a "Vacation Property" (as such terms are defined herein).

2. The term “Development Interest” includes any interest in a “Vacation Property”, whether represented by title, ownership, partnership, fee interest, non-fee interest, non-deeded interest, non-equity interest membership, right-to-use, club, license, lease, rental, booking, reservation, exchange, reciprocal-use right, other location use privilege, or other such right, service, or interest of any kind offered or provided to a consumer.

3. The term “Vacation Property” includes any resort, vacation, recreational, holiday or community development real estate, land, property, building, structure, improvement, amenity, or facility (including lots, sites, houses, apartments, condominiums, units, townhouses, villas, cabins, ranches, shelters, pads, parking spaces, open spaces, common areas, storage areas, cruise ships, yachts, recreational vehicles, and other personal property timesharing programs) and all rights and interests appurtenant thereto.

B. GUIDELINES – TRAVEL CLUBS

1. Rescission.

The following guidelines are further interpretation of Article III to the CARE Code of Standards and Ethics as specifically relating to Travel Clubs:

a. Relating to rescission of sales contracts, Travel Clubs agree to comply with all state, provincial and/or federal legislation. Travel Clubs further agree to offer a rescission period of no less than three (3) business days following the date on which the purchaser signs the purchase agreement.

b. The rescission rights and procedures shall be clear and accurate and shall be made a part of the purchase agreement for a Travel Club membership.

c. The rescission rights under a Travel Club purchase agreement may not be waived whether or not required by law.

d. Travel Clubs shall promptly honor in a timely manner all properly exercised rights of rescission.

2. Travel Club Product Fulfillment. As further interpretation of Articles IX and X of the CARE Code of Standards and Ethics, Travel Clubs agree to maintain control of or access to inventory adequate to fulfill the member base. Travel Clubs shall further be responsible for the fulfillment of all of the terms and conditions of its own product(s) pursuant to the sales contract and the product literature and/or transaction documentation.

3. Information, Descriptions and Disclosures. As further interpretation of Article V of the CARE Code of Standards and Ethics, Travel Clubs agree that:

a. all information, descriptions and/or disclosures required by any applicable law or regulation whether oral, written or graphic must be accurate and clear and consistent with one another (oral sales presentations or transaction descriptions, for example, must not conflict with sales literature or transaction documents); and

b. the information, descriptions and/or disclosures required by any applicable law or regulation must be easily located, conspicuous and readable.

4. Honesty and Integrity in Sales and Marketing Practices. As further interpretation of Article V and VI of the CARE Code of Standards and Ethics:

a. Travel Clubs agree not to use false or misleading advertising, physical addresses, claims of false affiliations, statements, photographs, illustrations, graphics, etc., regarding travel club benefits, inventory amenities, location or availability, or any other aspect of operation;

b. Travel Clubs agree to not intentionally omit material information without which the solicitations or sales information would be deceptive or misleading or which would affect consumer decision making; and

c. Travel Clubs agree to comply with all state, provincial and/or federal sales and marketing legislation and regulations.

COMMITMENT

Upon execution of the C.A.R.E. Membership Application and payment of applicable annual membership fees I, as the C.A.R.E. Member Responsible Party or if applicable, the Primary Contact of any Affiliate Company of the Applying Membership Company, hereby commit the C.A.R.E. Member and/or Affiliate Company applying for C.A.R.E. membership to honor and to be bound by the herein-stated terms of the C.A.R.E. Code of Standards and Ethics. I/we understand that continued membership in C.A.R.E. depends upon the C.A.R.E. Member, Affiliate Company or Companies, Member Representative(s) of C.A.R.E. Member Company or Affiliate Company or Companies, and Member Responsible Party compliance with this Code. I/we understand that it is the obligation of the C.A.R.E. Member Responsible Party to notify C.A.R.E., if the primary contact of an Affiliate company changes and is bound by the Code of Standards and Ethics for all Affiliate Companies. The Responsible Party further agrees to be bound by and to accept any final decision of the C.A.R.E. Standards and Ethics Committee in any matter brought before it pertaining to the stated C.A.R.E. Member's or Affiliate Company or Companies adherence to this Code. I/we hereby waive any right of appeal of any kind not specifically included in the procedures as set out in the C.A.R.E. By-Laws regarding the operation of the C.A.R.E. Standards and Ethics Committee. Parties applying for C.A.R.E. membership hereby release C.A.R.E., its directors, officers, agents, and assigns, from any liability in any matter pertaining to its enforcement of the C.A.R.E. Code of Standards and Ethics. I/we further attest that I/we are empowered to execute this Commitment on behalf of the below named C.A.R.E. Member and/or Affiliate companies.