

Code of Business Conduct and Ethics for Directors

The Board of Directors (the “Board”) of ILX Resorts Incorporated (the “Company”) has adopted the following Code of Business Conduct and Ethics (the “Code”) for directors of the Company. This Code is intended to focus the Board and each director on areas of ethical risk; provide guidance to directors to help them recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty and accountability.

Each director must comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise or replace the thoughtful behavior of an ethical director. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Audit Committee.

Directors who also serve as officers of the Company should read this Code in conjunction with our long-standing policy of Business Conduct which applies to all employees and our Code of Ethics which governs our executive officers, principal financial officer and principal accounting officer or controller and others performing similar functions.

1. CONFLICT OF INTEREST

Directors must avoid any conflicts of interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairman of the Audit Committee.ⁱ A “conflict of interest” can occur when:

- A director’s personal interest is adverse to—or may appear to be adverse to—the interests of the Company as a whole.
- A director, or a member of his or her immediate family as defined by the NYSE Alternextⁱⁱ receives improper personal benefits as a result of his or her position as a director of the Company.

Some of the more common conflicts which directors should avoid are listed below:

a. Relationship of Company with third-parties

Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with the Company. A director shall recuse him or herself from any Company Board decision involving another firm or company with which the director is affiliated.

b. Compensation from non-Company sources

Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company.

c. Gifts

Directors may not offer, give or receive gifts from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence the directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.

d. Personal use of Company assets

Directors may not use Company assets, labor or information for personal use unless approved by the Chairman of the Audit Committeeⁱ, or as part of a duly adopted compensation or expense reimbursement program available to all directors.

2. CORPORATE OPPORTUNITIES

Directors are prohibited from:

- a. Taking for themselves or their companies opportunities that are discovered through the use of Company property, Company information or position as a director;
- b. Using the Company's property or information for personal gain; or
- c. Competing with the Company for business opportunities. However, if the Company's disinterested directors determine, after full disclosure, that the Company will not pursue an opportunity that relates to the Company's business, a director may then do so.

3. CONFIDENTIALITY

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated.

For purposes of this Code, "confidential information" includes all non-public information relating to the Company, its business, customers or suppliers, and confidential information of third parties entrusted to the Company.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS; FAIR DEALING

Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company, including insider trading laws. They must also oversee compliance by employees, officers and other directors with the Company's obligations to provide full, fair, accurate, timely

and understandable disclosure in periodic reports and documents required to be filed with the SEC, NYSE Alternext and other authorities, and in public communications.

Directors must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.

5. ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

Directors should promote ethical behavior and take steps to ensure the Company:

- a. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
- b. Encourages employees to report violations of laws, rules, regulations, the Company's Business Conduct policy or its Code of Ethics to appropriate personnel;
- c. Allows employees to make such reports anonymously and in confidence.
- d. Informs employees that the Company will not allow retaliation for reports made in good faith.

6. COMPLIANCE STANDARDS

Directors should communicate any suspected violations of this Code (and any concerns regarding accounting or auditing matters) promptly to the Chairman of the Audit Committee.¹ Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code. Directors may not be retaliated against for reporting actual or suspected violations of the Code in good faith. Suspected retaliation should be reported to the Chairman of the Audit Committee.¹

ⁱ Any matter which would otherwise be required to be disclosed to or approved by the Chairman of the Audit Committee under the Code shall be disclosed to or approved by a majority of the independent directors if such matter involves the Chairman of the Audit Committee.

ⁱⁱ NYSE Alternext utilizes the definitions of the American Stock Exchange. Section 803 of the Rules of the American Stock Exchange defines "immediate family" to include a person's spouse, parents, children, siblings, mother-in-law and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone who resides in such person's home (other than domestic employees).