

I own two Timeshare weeks at The Point Resort at Poipu in Kauai, Hawaii, since 1999. My annual Maintenance Fees started out at \$600/week and are now \$1300-\$1400/weeks, which have increased by nearly 20% per year ever since Diamond Resorts International took over Management of the resort. I am retired, so making the payments becomes tougher each year.

I have no mortgage left on these Timeshare weeks for which I originally paid nearly \$40,000 for both. About two weeks ago I received my 2012 Maintenance Fee bill, which included my annual Maintenance Fee charge of \$1350 per week of ownership, plus a new Water Intrusion Special Assessment Fee of \$5893 per week of ownership, with a 5 year payment schedule attached.

I read the enclosed letter with the bill that explained about a Water Intrusion problem at the resort. This problem has resulted in much structural damage to the resort's buildings and was due to poor original construction practices. The cost of "rebuilding" the resort now requires 65 million dollars in repairs, which breaks down to \$5893 per week of Timeshare ownership. I emailed the Resort and a Diamond Representative got back with me. I told them I could not afford these additional Special Assessment Fees. I indicated that I felt my Maintenance Fees should have been going toward building maintenance and any needed repairs should not be my responsibility, especially if they (the Management) believes the resort needs to be rebuilt at a cost of \$65 million.

I wanted no part of these extra Special Assessment Fees. They indicated that they were sorry, but I needed to pay all amounts due (a total of \$6242) by 1/1/2012, and approximately \$5000 for each of the next four (4) years or my account would go into collection. As a result, I told them I didn't want these Timeshare weeks anymore. They indicated that they were sorry again, but that they do not buy back Timeshare weeks from owners even at no cost to them, since outstanding fees were due.

The Diamond Representative told me I would have to sell them on the open market to get rid of my obligations. When I originally purchased the Timeshare weeks, I was told they would be a good investment, I guess things have changed if you can't even give them back for FREE. The Diamond Representative warned me that before any ownership transfer could be completed in a resale, the entire Maintenance Fee and the entire Water Intrusion Special Assessment Fee would have to be paid in full. The problem now is with these high Special Assessment Fees no one is interested in buying any of these Timeshare weeks. I have tried to sell them for one(1) dollar on the internet with me paying the Maintenance Fees, but no one is interested.

Also, the Diamond Representative indicated that if I didn't pay all amounts due on time, they would obtain an attorney, engage a collection agency, record a claim of assessment lien, Foreclose on the claim, and institute a small claims suit to collect all delinquent account moneys, including fees paid to their attorneys and the collection agency against me. I feel these are unfair high pressure scare tactics, for something I believe is not even my obligation.

I purchased the Timeshare weeks for a vacation spot, not a lawsuit. I feel I'm being held hostage by the Resort and Diamond Resort (the Management Company) with no fair way out. Please help me resolve this issue.

I would appreciate it if Diamond and the Owner's Board of Directors would rescind the Special Assessment and request a vote of all Owners on how to proceed with the repairs. If an owner wanted out of the timeshare obligation because of the added cost, then that should be allowed. There should be no threats of lawsuits, Foreclosure or collection agency harassment, if you don't want to be part of the rebuilding effort of the resort I should have that right and not be forced into it. I have paid my Maintenance Fees each year as required, if they were insufficient that should not be my problem. If something unforeseen develops, as in this case, the Resort should have a suitable emergency fund setup to handle the cost or the appropriate insurance and not try to force the Owners to rebuild the resort, as in this case. I should be given an opportunity to get out, if I no longer want to be part of this rebuilding process or the Resort I should have that right. Please help.

Sincerely, a Deeded Owner at the Point

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