

Water Assessment & Maintenance Fees

As the January 1, 2012, deadline has now passed, many COPP members have asked about deferring payment of their water intrusion assessment fees and annual maintenance fees to DRI beyond the deadline but before February 1, 2012. A significant number of members are experiencing financial hardship due to this unexpected and exorbitant assessment and we want to help clarify some issues.

In the Fall 2011 newsletter to owners, DRI states, in part: "Please remember that payment is due January 1, 2012. If you prepaid your 2012 maintenance fee based on the 2011 rate, the incremental increase was also due by January 1, 2012....Please note that your account will become delinquent on January 31, 2012, and subject to late fees and interest; refer to the enclosed Assessment Billing and Collection Policy (Exhibit "C") for additional details....We want to assure you that provided your maintenance fees are paid in full and you are abiding by the enclosed payment schedule (Exhibit "B") for the water intrusion assessment, you will be able to make a reservation or bank your week with an exchange company."

A COPP Board member was told the following by a senior vice president of DRI Global Club Operations: "[Existing] reservations will only start to be cancelled if you haven't paid after 1st February and are not responding to a Financial Services Representative contact. So if you pay after 2nd January, but before 1st February, then they will be held for you. It's just that during this time you cannot make any new reservations." An email confirming this statement from the Diamond Resorts International VP was sent to this Board member, so yes, he has it in writing.

This supports advice from others that the maintenance fee and the assessment fee **do not** have to be paid by January 1, 2012, unless you plan to stay at one of their resorts or if you need to make a reservation during the month of January for some time in the future. Our question is, why pay early if you can wait until the legal action is filed? However, this has to be an individual choice.

Following is advice that was given to a member by an attorney in Hawaii:

When people pay their assessment fee they should include a letter stating that they believe the assessment is wrong and without justification, that they are paying under protest and that they are reserving their right to pursue legal action. If they have already paid the assessment fee, they should follow up by sending a similar letter to DRI. In these letters they should reference the heavy-handed threats that were made by DRI in its Fall 2011 Newsletter in Exhibit "C", "Poipu Point 2012 Assessment Billing and Collection Policy".

COPP suggests that you send your letters and payments to DRI via **Certified Mail, Return Receipt Requested** and that you keep, along with a copy of your letter and check, the green receipt that will come back to you in the mail. This way, DRI cannot deny that you have made your payment before January 31, 2012.

We hope this has helped you.

On a separate note, COPP has become aware that there is a person or two in our membership that is furnishing confidential COPP information to Diamond Resorts. So, for now, we will have to limit the information that is being sent to our general membership, especially regarding legal action. We have identified one of these persons and we have someone verifying information on our membership list to weed out the others. We have also identified two parties who are posing as owners on the Poipu Facebook site and are monitoring the site for Diamond Resorts.

We know that a very small handful of members feel the need to share our emails with Diamond Resorts International. This is expressly prohibited under COPP, LLC's Confidentiality Note that was sent out to you when you registered as a member. It states specifically, "This email, and any attachment to it, contains privileged and/or confidential information intended only for the use of the intended recipient of this email. If the reader of this email is not the intended recipient, you are hereby notified that reading, using, or disseminating this email, or any attachment to it, is strictly prohibited. If you have received this email in error, please immediately notify the sender by return email and then delete the original and any copies of this email, and any attachments to it, from your system."

Further, the following Disclaimer is included in emails and newsletters from COPP, LLC, to the membership: "The information and opinions expressed in this email or newsletter are the opinions of members of COPP, LLC. For legal purposes, we ask that you always include this disclaimer in your correspondence with COPP, LLC, or in other written communication. Contributions and/or registration to COPP, LLC, by any Diamond Resorts International employees, relatives of employees, subsidiary or affiliated companies, or any other person not purely identified with the purposes of the COPP, LLC, cause, is strictly prohibited and legal action will be taken as deemed prudent and necessary."

Please notify COPP, LLC, if you would like to cancel your membership and no longer want to receive COPP, LLC, updates.

We think you will enjoy this story about COPP and our members and hope you will share it with others.

Timeshare owners' fight over special assessments: 1 win, 1 pending

<http://blog.sfgate.com/hawaii/2011/12/21/timeshare-owners-fight-over-special-assessments-1-win-1-pending/>

We are in the process of completing an update on our legal status and will be sending it out to you shortly.

Mahalo

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