

Concerned Deeded Owners at the Point at Poipu(CDOPP)

November 1, 2011

Note: We will be changing the name to reflect that this group consists of deeded owners and point's program owners (Hawaiian Collection). We are looking for a remedy for both ownership groups as a collective group of vacation owners.

We would like to welcome all of the new and existing registered members, as well as those of you that have not yet registered on our website. We appreciate your patience while we have been gathering information and reorganizing the Board of Directors for CDOPP. We are receiving a lot of new registrations on a daily basis and we are working diligently to get information to you. The website is being worked on daily to provide better communication and more content, as we look to make positive changes.

Several years ago, many owners at the Point at Poipu banded together and formed CDOPP with the intent of collecting contributions in an effort to get the Association Membership List released to CDOPP. In addition, CDOPP launched the website www.PoipuOwners.org as an effort to inform and further identify owners that shared the same concerns.

The board members devoted countless hours collecting information, talking to concerned owners, meeting with government officials, seeking legal consultations, documenting the complaints made by owners of the Point at Poipu, as well as many other actions. Much of the work had to be done "behind the scenes" in an attempt to keep things confidential. In the winter of 2011, the website was hacked by someone forcing the Guestbook page to be shut down. This led members and others to believe that the group was inactive. In addition, the newsletters were making their way into the hands of Diamond Resorts employees through a member that registered as a concerned owner, which we now believe may have been an employee of Diamond Resorts or one of their affiliates.

In response to the shocking Water Intrusion Assessment Invoice, one of the new board members, Tammy Sona started the Facebook page Point of Poipu Angry Owners (<https://www.facebook.com/pages/Point-of-Poipu-Angry-Owners/148027451960608?sk=wall&filter=2>). Between the new Facebook page and the water intrusion assessment notice, there has been an increased awareness of our group and the realization that there is an even stronger need to band the owners together. Many are looking to our group to assist in protecting our resort from the poor decisions made by the Board of Directors at our resort under the guidance of the current management company, DRI. The registrations on the website have been growing in numbers very rapidly over the past few weeks and we expect that to continue as more owners are becoming aware of our efforts.

Here are a few basic facts that we would like to share with you.

1. The 2012 AOA & VOA Approved Budget consists of various line items. We would like you to be aware that **Diamond Resorts is collecting a total of \$3,265,745 for management and corporate administration fees.** This does not include the \$612,732 budgeted for administration fees.
2. The water intrusion fee is nearly \$6,000 per deeded week for the deeded owners and an unknown amount for the Points people in the DRI Hawaiian Collection. This is an economic hit of at least \$65 million dollars for the deeded and Hawaiian Collection (points/Club/Trust) owners. "Your" VOA & AOA Board of Directors voted to require this payment with the terms and penalties presented in the assessment. "They" decided to spread the assessment over 3 years instead of giving owners the option to spread it over a greater number of years to make it more affordable.

3. The State of Hawaii has received dozens of complaints to act on, and they need to receive even more to get them to enforce their own laws concerning time-shares in the State of Hawaii.
4. “Your” elected Board Member, Cleana Dean, is the mother of Linda Riddle (a Vice President with DRI) and was elected to the Board of Directors without disclosure regarding her relationship with DRI.
5. **It appears that DRI has taken over the Point at Poipu in its entirety with no resistance except for the actions initiated by our members group.**

The initial goal of this group (CDOPP) was to obtain the membership list consisting of contact information for all of the owners of the Point at Poipu to provide a direct line of communication with other owners for voting purposes. Without this list, we believe that it is virtually impossible to obtain the support of other members and also to ask them to vote (or assign their proxy to a representative of CDOPP) for **OWNERS**, not affiliated with DRI at the next election. We believe this has to be done in order to gain the majority interest on the boards of **OUR** resort.

The identified goals of CDOPP going forward are as follows:

1. Obtain the contact information of as many of the owners as possible.
2. To continue our efforts to obtain a copy of the membership contact list.
3. Assist owners with information about candidates that we support in upcoming elections.
4. Provide communication to owners beyond what the current management company provides.
5. To have an option regarding the costs of our management fees and the ability to seek other qualified management companies or to change the structure of management at our resort.
6. Assess the options available regarding the Water Intrusion issues
7. Take action to make changes to the existing assessment, including working out an agreeable payment solution with our AOA and/or VOA Board of Directors. It’s pretty easy to defend their actions to us individually, with a group this size, we believe they will be compelled to make some changes.

The new Board of Directors has been working diligently and we are looking forward to sharing the actions that are being planned to help achieve the goals that we have identified with you.

CDOPP

Keith Paulsen – President

www.PoipuOwners.org

If you have contributed to CDOPP previously and would like your contribution returned, contact us and we will return your contribution immediately. If we do not receive a request for a refund by November 10, 2011, we will assume that you want to continue to support the efforts of CDOPP.

The information and opinions expressed in this letter are the opinions of the members of CDOPP. For legal purposes, we ask that you always include this disclaimer in your correspondence with CDOPP or other written communication. Contributions and/or registration to CDOPP 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 CDOPP cause, is strictly prohibited and legal action will be taken as deemed prudent and necessary.