



Polynesian Isles Resort News

*A Newsletter for Homeowners
of Polynesian Isles Resort*



2009

Presidents' Forum

Polynesian Isles Resort Condominium I

Dear Fellow Owners,

I have had the pleasure of serving on your Board of Directors for more than 15 years and as your Board President for the past four years. During that time, we have seen many changes in both management and our resort. We have weathered the storms (and the hurricanes) and have a resort we can all be proud of. Thanks to each of you who voted to bring in a new management company. I am more than confident that with SPM Resorts, Inc., we are on the road to ensuring our resort continues to be one of Orlando's finest, while keeping maintenance fees as low as possible. We finally have an outside, independent company with no ties to sales or development, but who is here to strictly oversee the day-to-day operation of the resort.

During the budget process, we have worked hand-in-hand with SPM Resorts to ensure your maintenance fees remained the same, in spite of the increases which Diamond has levied upon the Master Association. I thank you for your words of encouragement and continued support as we work together for the betterment of our great resort.

Carlos Costa

President

Polynesian Isles Resort Condominium I Association, Inc.

Polynesian Isles Resort Condominium IV

Dear Fellow Owners,

As your new Polynesian Isles Resort Condominium IV Board President, I would like to personally thank Terry Byrd, who stepped down from our Board earlier this year, for all his time and effort in being a great inspiration on our Board for many years.

Also, I would like to welcome Dottie Arnold back as our General Manager, along with Anthony Ferreira, Barbara Carter, and all of our great Polynesian Isles Staff, who work so hard to make all of our visits to the resort as pleasurable as they can.

The new Management Company, SPM Resorts, Inc., has worked very hard to make the transition as successful as possible.

Finally, I would like to thank you, the owners here at Polynesian Isles Resort Condominium IV, for your continued support. We have a very diverse and caring Board of Directors now.

I hope we may continue to make your visits pleasant and affordable, with the best quality for all to enjoy here at Polynesian Isles.

Rick Johnson

President

Polynesian Isles Resort Condominium IV Association, Inc.

*Important
DATE!*

ANNUAL MEETING

Mark your Calendars Now!

The Annual Meeting will be held on

Friday, December 4, 2009

Polynesian Isles Resort Condominium I Association, Inc. at 3:00 p.m.

Polynesian Isles Resort Condominium IV Association, Inc. at 1:00 p.m.

PROXY BALLOTS

If you are unable to attend our Annual Meeting, PLEASE be sure to return your proxy ballot that will be included in your Annual Meeting Materials. These are desperately needed in order to reach a quorum. Without a quorum, we will be unable to hold an official meeting to elect Board Members.

Check out our website:

www.spmresorts.com



Welcome to the
SPM Resorts Family.

We hope you enjoy the efficiency of
the full service site that can help you
with all of your needs.

You have access to view all the resorts
that SPM manages,
research vacation destinations,
see our featured resort's internet specials,
and much more!

TRANSITION OF THE MANAGEMENT CONTRACT

As most of you are aware, on March 16th, SPM Resorts, Inc. assumed the management contract for Phase IV. After receiving the majority of our owner votes, Diamond Resorts decided to relinquish management of Polynesian Isles I, and thus SPM Resorts assumed the management contract for Phase I as well on June 8th. The transition has not been easy, but we have continued to service our owners and guests, doing whatever was necessary to ensure they continued to have a great vacation experience.

We'd like to take this opportunity to bring you up-to-date on what led the Board to seek a new Management Company, and what has transpired over the past few months.

When the Sunterra Corporation was sold to Diamond Resorts, in addition to acquiring any inventory previously owned by Sunterra, Diamond alleges they assumed the management contract for any resorts which Sunterra previously managed, including Polynesian Isles. Within a few months, the Board of Directors began to experience problems, including but not limited to, the following:

- Diamond Resorts owned unit/weeks here at the resort, which they acquired when owners purchased into their Club program, giving up their weeks for points. They also acquired unit/weeks through foreclosures. Unlike owners who are locked out of their units when they fail to pay their maintenance fees, Diamond continued to use these weeks without paying maintenance fees, late fees, or interest for more than a year.
- As our management company, one of their primary jobs was to collect maintenance fees. They were not doing this, and instead were foreclosing on the owners, and taking possession of the unit/weeks. In one year, they went from owning 4% of the unit/weeks here at the resort to owning 17% of the unit/weeks.

- Diamond was using unit/weeks which they were not entitled to, for their own personal gain.
- Diamond continually levied high management fees, and was in the process of adding even more fees. An example, our Master Association management fees alone went from \$4,000 a year to \$40,000 a year.
- Diamond began mandating that items be purchased for the resorts at the owners expense which were not needed, including check-in packets to the tune of almost \$5 per check-in (approximately \$500 per week), toasters and coffee pots costing over \$100 each, etc.
- These expenses were causing our maintenance fees to continually increase, leaving many owners unable to pay.

Your Board of Directors could not allow this extravagance and mismanagement to continue. It was a clear case of Diamond acting in Diamond's best interest and not that of the owners. The Board notified Diamond of its unhappiness with their performance, and informed them they would be looking into bringing in an outside, independent management company, who was not involved in developing or selling timeshares, had nothing to gain and whose only responsibility was to oversee the day-to-day operation of the resort.

You can understand why Diamond did not want to give up the management contract ... they had too much to lose. They had free reign to do whatever they wanted to do, and the resort had a clear case of "the fox watching over the hen house"! They attempted to use "scare tactics" citing increased maintenance fees in an attempt to get owners to vote against bringing in another company. After interviewing several companies, your Board felt SPM Resorts best fit the needs of the resort, with a proven track record and 30 years of timeshare management experience. Your Board interviewed Board members at other SPM-managed properties and repeatedly heard stories of SPM completely turning their properties around, without increasing maintenance fees.

Now that the transition has been completed, Diamond has continued to refuse to turn over funds (they withheld money for severance packages and refuse to tell the Associations who was paid and how much) and accounting records which your association is entitled to. In addition, after it became evident the owners wanted Diamond out and voted to bring in SPM to manage the resort, Diamond still refuses to give up the Master Association which Diamond alleges oversees the common elements, including the grounds and the Clubhouse. They have sued your Board Members and removed one of them from the Master Board, giving Diamond three seats on the Board and your Associations only two, which in turn gives them control over all decisions made on behalf the Master Association.

As a result, they are imposing fees which we have never paid in the past, duplicating positions, giving the Board no authority over the actual property, and demanding payment to cover all of this. They have just levied a special assessment on Phase I of \$45,132.19 and Phase IV of \$73,339.81 just to cover their expenses for the remainder of 2009, citing a budget shortfall. (A budget which they themselves prepared for 2009.) Even though they have increased your contribution to the Master Association to \$233.40 per unit week, SPM and your Board have managed to keep your maintenance fees the same as 2009.

Our resort is just one of many that is now taking legal action against Diamond. Your Board of Directors have nothing to gain from all of this. They are volunteer owners who only want what's best for your resort, and to ensure it is maintained in a fashion which you can all be proud of. Both SPM and your Board are committed to making this happen, while continuing to keep maintenance fees as low as possible.

*Thank you for your
continued support!*

CAPITAL PROJECTS

Last year, Phase I began a total refurbishment of both the Master and Guest bathrooms, completing Buildings 1, 2 and 3. Refurbishment of the remaining bathrooms in Buildings 4, 5 and 6 will be completed before Thanksgiving this year. In addition, we have budgeted to replace all the existing patio furniture in January 2010, giving you a table with four chairs and a chaise lounge enhancing your enjoyment of the great year-round Florida climate.



In January, Phase IV will begin a total refurbishment of its bathrooms in Buildings 7, 8 and 9, with the same work as has been done in Phase I, including new floor and wall tile, fixtures, cabinets with granite counter tops, lighting, exhaust fans, and hardware. In addition, we will also be replacing the existing wet bar with a desk unit, giving guests who use their computers while on vacation a place in which to work.

We're certain you will agree, these bathrooms are absolutely beautiful and these improvements will not only add great value to our units, but give guests a spa-like experience as well.

RENTAL SPECIAL



If you only own one week or even two, and often thought you'd like to come to the resort for an additional week or two, now is your opportunity!!!! In order to help generate much needed revenue, we are currently running an "Owners' Special" where you, as an owner, can rent an additional week for the remainder of 2009 and all of 2010, (while inventory lasts), for yourself, your family and/or friends for only \$799.00. To reserve your week, call us TODAY at (407) 396-1622 and ask for Elizabeth at extension 30240 or e-mail: epena@spmresorts.com.

RESERVATION FORMS

In order to better serve you, this year when you receive your maintenance fee statement, you will also find enclosed a Reservation Form that you will need to complete in order to book your reservation for 2010. **This form is to be mailed directly to Polynesian Isles Resort, and SHOULD NOT be sent with your maintenance fee payment.**

If you are a fixed week owner, you don't need to do anything. Your week will be booked for you automatically. If you want to space bank your week, remember you'll need to pay your maintenance fees before your week can be banked, and all bankings must be done by the resort on your behalf.

CALL FOR NOMINATIONS

Your resort is now accepting resumes for owners who wish to serve on our Board of Directors. Board members serve a two-year term, and all positions are without compensation. Board members are only reimbursed for actual travel expenses, and are required to attend four Board Meetings per year. The only requirement to serve is that you own at least one week of timeshare at Polynesian Isles Resort and you may only run for the Board in the phase in which you own.

If you own a week in each phase, you may run for either or both Boards. Resumes will be sent out to our owners for their consideration soon.



ABOUT SPM RESORTS, INC.

SPM Resorts, Inc. is a full service, professional management company offering specialized services to hotels and resorts, restaurants, marinas, and other commercial properties. Based in Myrtle Beach, South Carolina, SPM Resorts manages 26 associations along the East Coast and in St. Thomas, with six of those being right here in Florida. SPM Resorts has been in business for 30 years.

OUR PHILOSOPHY

We believe that proper and professional direction provided for a resort facility by management and overseen by Homeowner Associations Boards of Directors is essential to continued success of the original plan of development, the complete enjoyment by its owners, members and guests.

To accomplish this, particular emphasis must be placed on cleanliness, maintenance, and, of utmost importance, employee/owner/guest relations. An owner of one week is part owner of the entire resort. He or she is the person for whom we work.

OUR MISSION

Sincere and genuinely warm service and hospitality equal to the best in the industry, from every level of the organization.

Providing our employees with an environment of appreciation, respect, and working conditions conducive to performing their assigned tasks to the best of their ability and conducive to achieving both personal and professional gratification.

Managing the affairs and operations of facilities under our control in a highly ethical and professional manner to produce the greatest possible financial accountability and responsibility to our owners.



POLYNESIAN ISLES RESORT

3045 Polynesian Isles Blvd.
Kissimmee, FL 34746
(407) 396-1622
Fax: (407) 396-1744
Email: info@spmresorts.com

Professionally Managed by:



SPM Resorts, Inc. and Board of Directors

General Manager

Dottie Arnold
darnold@spmresorts.com

SPM Florida Office

Regional VP of Operations

Trish Docherty
tdocherty@spmresorts.com
(407) 301-5774

SPM RESORTS, INC.

Corporate Office

1051 Shine Avenue
Myrtle Beach, SC 29577
(843) 238-5000
Fax: (843) 238-5001

VP of Corporate Operations

George Selensky
gselensky@spmresorts.com

Owner Services Representative

Chad Martin
cmartin@spmresorts.com

Polynesian Isles Resort Condominium I Association BOARD OF DIRECTORS

President

Carlos Costa
CCOSTA@MYWAY.COM

Vice President

Eddie Lofton
eddier@ameritech.net

Secretary/Treasurer

Gary Emken
GaryL1615@bellsouth.net

Director

Phyllis Skora
pskora@comcast.net

Developer Representative

Linda Riddle
Linda.riddle@diamondresorts.com

Polynesian Isles Resort Condominium IV Association BOARD OF DIRECTORS

President & Secretary

Rick Johnson
rjohnson@cityofpickering.com

Vice President & Treasurer

Phyllis Skora
pskora@comcast.net

Director

Cleotha Griffith
ccgriffith@bellsouth.net

Director

Steven Mahoney
steve@mahoneyinternational.ca

Developer Representative

Linda Riddle
Linda.riddle@diamondresorts.com