

Diamond Resorts U.S. Collection Members Association
Assessment Fee Department
10600 West Charleston Boulevard
Las Vegas, NV 89135-1014

2012 Assessment Fee
Account#: 1941873

Description	Credit	Debit	Amount
Balance As Of 11/07/2011	2422.90	-2422.90	.00
2012-U.S. Collection Fee Per Point	1088.10	.00	1088.10
2012-U.S. Collection Operational Fee	205.00	.00	205.00

Save your association credit card fees,
pay by check (US funds only)

Amount Due \$1293.10

For more information regarding this bill please call **1.877.374.2582**.

Please make check payable to: Diamond Resorts U.S. Collection Members Association



Please detach and return coupon with payment

Diamond Resorts U.S. Collection Members Association
Assessment Fee Department
10600 West Charleston Boulevard
Las Vegas, NV 89135-1014

2012 Assessment Fee

Account #: 1941873
Due Date: Jan 1, 2012
Statement Date: Nov 10, 2011
Amount Due: \$1293.10



Joy Marie Byrd T36 P3 DR_CLUB/007086
Homosassa
PO Box 588
Homosassa FL 34487-0588

Make Check Payable to:

Diamond Resorts U.S. Collection
Members Association
PO Box 845189
Dallas, TX 75284-5189

600000194187301293109

IMPORTANT MEMBER INFORMATION

FREQUENTLY ASKED ASSESSMENT FEE QUESTIONS

Customer service can be reached at **1.877.374.2582**

Q.1. What are assessment fees and who determines them?

A.1. Assessment fees are made up of three components:

THE Club® Fee: This is the fee for being a member of THE Club® and covers all the services required to operate and provide the benefits of THE Club®, such as call center and operational services, II exchange and Gold membership, member publications and collateral materials, as well as audit fees. THE Club® fee is the same for every member irrespective of how many points the member owns.

Operational Fee: This fee, which covers the fixed costs to operate the Collection, is paid equally by all members regardless of the number of points they own. It is determined by the Association's board of directors.

Fee Per Point: This fee encompasses the expenses to operate, maintain and refurbish the resorts in the Collection, as well as variable costs incurred by the Association. The board of directors of each resort in the Collection creates an annual budget that estimates the expenses to operate the resort. These expenses are apportioned across all owners and therefore the charge to the Collection is dependent on the amount of inventory that the Collection owns at that resort. This process is completed for all the resorts in the Collection and the total is divided by the number of points in the Collection.

Q.2. When are the assessment fees billed and when are they due?

A.2. Assessment fees are billed by November for the following year and are due before January 1. If you don't receive a bill, it is up to you to request it. Please refer to the enclosed copy of your Association's Assessment Billing and Collection Policy for more information or log on to DiamondResorts.com for more information.

Q.3. How do I pay my assessment fees?

A.3. There are a number of options to pay your fees:

1. Mail your check and payment coupon in the enclosed envelope.
2. Log in to your member account on DiamondResorts.com, and click on Accounts to pay by electronic debit or credit card.
3. Call 1.877.DRI.CLUB (1.877.374.2582) and pay by credit card by using our fully automated payment service available 24 hours a day.

Q.4. Can I pay my assessment fees at a resort?

A.4. Your Association encourages you to send payment by check or use the electronic debit feature. Both of these options avoid credit card fees to the Association. Payments cannot be accepted at any resort, as they do not have the ability to take this payment on behalf of the Association.

Q.5. Can I pay my assessment fees in installments?

A.5. Yes, you can pay your fees in any number of installments between now and December, as long as the entire balance is paid before January 1. You may also prepay your 2012 fees in installments. Log on to DiamondResorts.com to schedule your payments through the EFT option or by credit card.

Q.6. If I don't use my points this year, do I have to pay the assessment fees and dues for THE Club®?

A.6. Yes, all members must pay their fees regardless of whether or not they use or save their points.

Q.7. What happens if I do not pay my assessment fees before they are due?

A.7. Non-payment of assessment fees could result in forfeiture of your membership. Collection and recovery charges may be added to your account for non-payment of fees. Please refer to the enclosed copy of your Association's Assessment Billing and Collection Policy for more information.

Q.8. Can I use my points to pay my fees?

A.8. Please refer to the information under the Accounts section of the members area on the website. All requests to use points to offset payment for 2012 must be received before December 31, 2011 to be valid for redemption.

Q.9. What if I have a question about my mortgage?

A.9. If you financed through Diamond Resorts International®, all questions concerning your mortgage (i.e. interest, monthly payments, coupon books, balance and pay-off amounts, or interest 1098s) should be directed to 1.877.DRI.CLUB (1.877.374.2582) (U.S. calls). Otherwise, please refer to your coupon book to determine your mortgage company.

Q.10. What is the "ARDA-ROC PAC" assessment for? Do I have to pay it and is it part of the assessment fee?

A.10. ARDA's political arm, ARDA-ROC PAC (American Resort Development Association Resort Owners Coalition Political Action Committee), enables owners to engage government officials at all levels in constructive, ongoing dialogue and to participate in policy decisions affecting their vacation ownership experience. Year after year, timeshare owners are targeted by federal, state and local lawmakers searching for various ways to raise revenue, and this committee is dedicated to protecting your economic interests. ARDA-ROC PAC contributions are political contributions not deductible for federal income tax purposes. You may refuse to contribute or contribute more or less without reprisal or otherwise affecting your membership. Only U.S. citizens or permanent resident aliens (green card holders) may contribute to ARDA-ROC PAC.

Mailing Address / Phone Updates

Please return to: Diamond Resorts U.S. Collection Members Association

10600 West Charleston Boulevard

Las Vegas, Nevada 89135-1014

Print only the information that requires a change.

Address Line 1: _____

Address Line 2: _____

City: _____ State: _____ Zip: _____

E-mail: _____

Home Phone: _____

Work Phone: _____

Dear Diamond Resorts U.S. Collection Member,

As 2011 draws to a close, your Board of Directors hopes this letter finds you and your family well and looking forward to your next vacation. We would like to take this opportunity to discuss some of the exciting things that have happened at the resorts this year and share their plans for the future.

Enclosed you will find your 2012 annual assessment statement, along with a copy of the Association's 2012 budget and Assessment Billing and Collection Policy. Your Operational Fee is \$205.00 for 2012, an increase of \$5.00 over 2011 and the fee per point for your Standard Assessment is 12.09 cents, an increase of 5.2% from 2011. To give you an example of the total impact on your fees, the 2012 fee structure equates to a 4.5% increase in the total assessment for a member who owns 5,000 points, 4.8% for a member who owns 10,000 points and 5% for a member who owns 20,000 points.

2012 Assessment Fees

Your Collection consists of 32 resorts across the Continental U.S. and St. Maarten. The board of directors of each resort's association meets annually to create a budget for the upcoming year. The boards review the actual year-to-date expenses to operate the resorts and then forecast the operating costs for the upcoming year by making assumptions about changes—increases and decreases—in those expenses. The boards also determine what amount should be contributed to the resorts' reserve funds for future refurbishments, repairs and replacements. These costs are then apportioned across all owners, and therefore the fees billed to your Collection are dependent on the amount of inventory that the U.S. Collection owns at each resort.

We are pleased to tell you the resort management teams have carefully managed the costs they can control. For 2012, the majority of resorts are seeing increases of 3% or less and some will experience no increase at all. Credit goes to the management teams at the underlying resorts who can maintain high-quality standards for a modest fee increase even in these challenging economic times.

In our letters to you over the past couple of years, your Board explained our Association had a deficit and we budgeted for surpluses to begin shrinking the deficit. Progress in reducing the deficit was made but during 2011, our Association unexpectedly received special assessments totaling approximately \$522,000 from Polynesian Isles Resort Condominium Association, Inc. and Polynesian Isles Resort Condominium IV Association, Inc. to cover deficits in their operating accounts. The Association paid approximately \$348,000 in 2011 and will pay the remaining amount of approximately \$174,000 next year; the \$174,000 is included in the 2012 budget. Your Board has again budgeted for a surplus for 2012 to continue reducing the deficit.

2011 Resort Projects

Taking into consideration amenities, appointments and improvements that are necessary to maintain the high-quality standards you have come to expect, during 2011 several significant projects were undertaken at the resorts.

- The third phases of multiyear, floor-to-ceiling room refurbishment projects at The Ridge on Sedona Golf Resort, Sedona Summit Resort and Scottsdale Villa Mirage; the Summit refurbishment is complete
- Completed renovations at Grand Beach and the B-side Virgin Building dining areas at Bent Creek Golf Village
- Began upgrading furniture, fixtures and equipment at Scottsdale Links Resort and Villas de Santa Fe
- Completed the bathroom remodel and began the kitchen renovation at Desert Paradise Resort
- At the Villas at Polo Towers, the floor plan is being reversed by replacing the couch, bed, lounge chair and entertainment center, and at Polo Towers Suites, the Murphy beds in the Sky View units are being upgraded

Stage 1 of a major, multiyear renovation project is underway at Lake Tahoe Vacation Resort. During this stage, 40 two-bedroom units will be completely remodeled—new flooring, furniture, windows, window treatments, countertops, appliances, light fixtures, etc.—and a two-burner cooktop added in the kitchens on the studio side of the units. The project will begin with the Phase III units and move through the other phases over the course of

the next few years. With entire Phases taken out of service during this project at Lake Tahoe Vacation Resort, space will be limited; therefore if you are planning to visit the resort, please make your reservations early.

2012 Resort Projects

Over \$51 million in capital projects are planned across the resort collection during 2012. Among the projects scheduled are the fourth phases of above-mentioned refurbishments at The Ridge and Scottsdale Villa Mirage, as well continuing the unit refurbishments at Scottsdale Links and Villas de Santa Fe, commencing the next phase of the Polo Towers Villas floor plan project and continuing the kitchen renovation at Desert Paradise. Polo Towers Suites plans to continue upgrading the Murphy beds and replacing the corridor carpet. Additionally, new bathroom vanity and kitchen faucets will be installed in all of the rooms

Stage 2 of the Lake Tahoe Vacation Resort renovation project—remodeling 32 two-bedroom units in Phase II—is planned to start in the second half of 2012 and continue into the first half of 2013.

Refurbishing is also planned for the cabins at Bent Creek Golf Village and some of the units at Greensprings Vacation Resort. Sofa sleepers and lounge chairs at The Suites of Fall Creek will be upgraded. A remodeling project comprising 32 units on the C-Wing at San Luis Bay Inn will begin. The project includes new carpet, dining room table and chairs, entertainment centers, flat-screen TVs, sofas and the reclining chairs in the living room. In the bedrooms, the curtains, night stands, dressers and headboards will be replaced.

Many of the resorts are installing larger HD flat-screen TVs and upgrading dinnerware, glassware, flatware and other housewares.

Important Payment Information

Your total assessment fees are due in full by January 1, 2012. If you prepaid your 2012 assessment fee based on the 2011 rate, the incremental increase is also due by January 1, 2012. Please note that your account will become delinquent on January 25, 2012, and subject to late fees and interest. Please refer to the enclosed Assessment Billing and Collection Policy for additional details. We encourage you to send payment by check in the enclosed envelope or use the electronic debit (EFT) feature available at DiamondResorts.com because payments made by check or EFT save money for our Association. For more information on how to pay your bill, please refer to the Frequently Asked Questions on the back of your statement, call 1.877.DRI.CLUB (1.877.374.2582) or e-mail BillingHelp@diamondresorts.com.

As a final note, please be sure to read the enclosed message from THE Club® that provides information about its plans for the upcoming year.

Sincerely,

Board of Directors
Diamond Resorts U.S. Collection Members Association

**DIAMOND RESORTS U.S. COLLECTION MEMBERS ASSOCIATION
2012 ASSESSMENT BILLING AND COLLECTION POLICY**

The following was adopted by the Board of Directors on September 27, 2011.

ANNUAL ASSESSMENT BILLING

The annual assessment notice for the next year's assessment will be sent on or before December 15. Assessments are due regardless of whether the billing notice is actually received. If a bill is not received, it is up to the member to request, and/or notify the Association of any address change.

January 1 – Payment is Due

Note: A \$30.00 charge will be added to the member's account for any payment that is not honored, regardless of reason.

If the assessment is not paid in full by January 25, the account becomes delinquent.

1. The following charges will be added to all delinquent accounts on January 26:
 - a. An interest charge of 18% per annum from the due date, which will continue to accrue until the account is paid in full; and
 - b. An administrative late fee of \$25.00.

February 15—SUSPENSION NOTICE

Beginning February 15, a notice fee of \$15.00, or 5% of the past due amount, whichever is less, may be assessed against the member's account. If the assessment is not paid in full by February 15, the Association may send a notice providing the amount due and informing the member that the following actions detailed below will result if the account is not paid in full by March 17. No further notice will be sent out after February 15.

March 17—SUSPENSION OF USE RIGHTS

1. Reservation requests will not be accepted and a member may suffer suspension of use rights;
2. Previously confirmed exchanges or use rights may be cancelled and an exchange (deposit or confirmation) cancellation fee of \$25.00, if applicable;
3. If full payment is received after March 2, there is no guarantee that the member will be able to receive a confirmed reservation or exchange at that time.

Use rights revoked because of delinquencies may be used by the Association and the net proceeds therefrom may be utilized by the Association for collection costs.

March 17—BOARD ACTION

The Board of Directors may request any necessary actions to collect outstanding assessments. Actions may include but are not limited to the following:

1. Determination of whether to send delinquent accounts to an attorney, which will result in additional collection and legal fees.
2. Engagement of a professional collection agency.
3. Recovery of points through enforcement of security interest and termination of membership.
4. Initiation of small claims suit or legal action.

All related costs for the above will be added to the delinquent member's account.

Diamond Resorts U.S. Collection Members Association, Inc.

	2012 Budget
REVENUES	
Maintenance Fees	\$ 110,897,027
Other Income	<u>672,520</u>
TOTAL REVENUES	111,569,547
EXPENSES	
Maintenance Fee Obligation	87,225,330
Polynesian Isles I & IV Special Assessment 2011/2012	174,105
Management Fees	13,925,611
Bad Debt Expense	5,248,724
Developer Delinquency Contribution	(3,149,234)
Assessment, Billing & Accounting Fees	3,248,595
General & Administrative	<u>2,189,375</u>
TOTAL EXPENSES	108,862,506
SURPLUS/(DEFICIT)	<u>2,707,041</u>
Apply to Polynesian Isles I & IV Special Assessments paid in 2011	(348,212)
Fund Balance/(Deficit), prior year	(7,891,488)
PROJ. FUND BALANCE/(DEFICIT), end of year	<u>\$ (5,532,659)</u>

	2012
Base Standard Assessment	\$ 205
Point Standard Assessment (Fee Per Point)	\$ 0.1209
THE Club®	\$ 277
THE Club® Dues are provided for informational purposes only. They are not part of the assessments, but are fees associated with THE Club®.	

Books and records of the timeshare association are currently being maintained at 10600 W. Charleston Blvd. Las Vegas, NV 89135

Diamond Resorts U.S. Collection Members Association
Notice to Florida Purchasers

Please be advised that the “amount due” shown on the Annual Statement of Standard Assessment that accompanies this Notice includes an amount that represents your annual Club Dues payable to Diamond Resorts International Club, Inc., for extending your membership in THE Club® exchange program for another year. For calendar year **2012**, that amount is \$50.00. You have the right to elect whether to extend your membership in THE Club® exchange program for another year or to allow your membership to expire at the end of this calendar year.

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You may exercise this election as follows:

1. You can **extend** your membership in THE Club® exchange program by submitting the **full amount** of the Standard Assessment shown on the accompanying statement to the Diamond Resorts U.S. Collection Members Association on or before January 31, 2012, in which case you will continue to enjoy the full benefits of your membership in THE Club® exchange program for another year.

OR

2. You can allow your membership in THE Club® exchange program to **expire** by submitting the amount of the Standard Assessment shown on the accompanying statement **less the amount shown above** to the Diamond Resorts U.S. Collection Members Association on or before January 31, 2012. In this case, your membership in THE Club® exchange program will expire as of December 31, 2011. Should you elect this option, please know that your Interval International® membership will not be renewed, you will not be able to participate in our Member Benefits program (exchange Points for Fee, Mile, Air, Cruise or TravelOptions), and you will only have access to the inventory at each of the component sites that make up the Diamond Resorts U.S. Collection.

Should you have any questions regarding your membership in THE Club® exchange program, please call 1.877.DRI.CLUB (1.877.374.2582).



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New Cruise Affiliates

In addition to the affiliate resorts, we also introduced a selection of Norwegian Cruise Line (NCL) cruise options for 2011, available for booking online the same way as with other points reservations. Due to popular demand, the 2011 itineraries are already sold out, but we are pleased that we are now offering the new 2012 itineraries with NCL that include the Alaska cruise with the same itinerary as this year, a Mediterranean cruise with a new itinerary departing from Spain and including both Italy and France, a Western Caribbean cruise with a different itinerary which includes the Bahamas, Jamaica, Grand Cayman and Mexico, and finally a new Baltic Capitals cruise in Europe taking in 6 countries in nine days including Russia. All of these itineraries are selected from the demand we saw in bookings this year, as well as responding to places, cultures and natural wonders that members tell us they would like to discover.

New Benefits

We were also pleased to develop our Member Benefits offering for you in 2011 as well, to include more discounts on products that you have told us you are interested in and which have been very well received:

Cooking Club of America

Cooking comes out as a top 5 hobby for our members, and so we arranged this discounted annual membership with the Cooking Club of America. It offers a monthly Cooking Club magazine full of recipes, product reviews, articles on seasonal dishes and gift ideas with their website providing special member contests, deals and discounts on products, access to discussion forums on all things about cooking, plus an opportunity to participate on the recipe test panel and share results. Members of THE Club® receive a 16% discount from the usual public pricing, and therefore, your price is just \$10 per year. Log on to the Member Area at DiamondResorts.com, click on Member Benefits and then 'Cooking Club of America' to register for your discounted membership.

National Home Gardening Club

You also told us that you enjoy gardening too, and now we offer an annual membership in the National Home Gardening Club which includes their members-only magazine, "Gardening How-To", with additional gardening insight and information available in 'Extra Dirt', their club's e-newsletter. In addition, their member website offers special member contests, deals and discounts on products, access to discussion forums on all things gardening, and the opportunity to test "and keep" free gardening products. You receive a 16% discount from public pricing, costing just \$10 per year. Log on to the Member Area at DiamondResorts.com, click on Member Benefits and then 'National Home Gardening Club' to register for your discounted membership.

North American Fishing Club

We also offer a discounted annual membership in the North American Fishing Club, which includes a subscription to North American Fisherman, the nation's largest multi-species fishing magazine. You will also receive even more insight and information in Fishin' Informer, the club's e-newsletter, as well as the opportunity to test – and keep – complimentary fishing gear, win prizes in regular giveaways, access special deals and discounts on equipment, and connect with other members for a day on the lake. Members of THE Club® receive a 16% discount from public pricing, costing just \$10 per year. Log on to the Member Area at DiamondResorts.com, click on Member Benefits and then 'North American Fishing Club' to register for your discounted membership.

Players Pass Golf Discounts

Since we know many members of THE Club® are keen golfers, we were very pleased to secure a discounted golf product just for you. This includes a PlayersPass.com 12 month membership, which offers discounts on green fees, plus 20-50% off on over 2,000 courses (even on weekends). You will also receive e-mails featuring new courses, discounts on golf accessories, clothing and training, and last minute specials of up to 70% off. At just \$56.95 for Standard members, \$53.95 for Silver members, \$49.95 for Gold and Platinum members per year, we think this offers great value.

Experience Days

Our Experience Days offering has always proven popular, but to provide even more choices, we updated this program in February to allow as little as 2,000 points to be redeemed for "Freedom Vouchers", which work just like

a gift card. This change means that you don't have to choose your Experience Day at that time. You can secure your voucher and use it later to redeem Experience Days on the website. It also means it is now easier to give as a gift to a loved one and let them choose which Experience Day they would like to enjoy.

Frommers Destination Guides

Through a new partnership this year with Frommers, we are pleased to provide more information on local events, dining options, and attractions for all of our vacation destinations, allowing you to research ahead of your arrival.

When you visit THE Club® Worldwide Resort pages at DiamondResorts.com, just click on "Destination Guide" on the lower left. As well as the Frommers information, you can also purchase the travel guides with a 20% discount.

New Club Events and Escorted Tours

Earlier this year, we launched a selection of Club Escorted Tours, which give you the opportunity to join fellow members of THE Club® to explore new lands and experiences, using a combination of points and cash. These tours are escorted by our trusted British team, who has been escorting our European member tours for a number of years. The tours being offered for 2012 are listed here. Detailed itinerary information can be found at DiamondResorts.com in the Member Benefits section.

- *January 25, 2012 - Kenya* – from \$2,780 plus 6,000 points per person
- *May 3, 2012 - Italy* – from \$2,870 plus 4,500 points per person
- *June 7, 2012 - UK / Europe*– from \$3,180 plus 4,500 points per person
- *July 8, 2012 - Ecuador and Galapagos* – from \$6,645 plus 6,500 points per person
- *October 27, 2012 - Costa Rica*– from \$1,750 plus 5,000 points per person

Since our last letter, THE Club® has held three dedicated Club member events which have brought together members from across the world. Two events have been at East Clare Golf Village in County Clare, Ireland with member golf activities and tournaments as well as tour excursions to discover the wonders of western Ireland. The third event was in Las Vegas in Spring 2011, exploring a different side to the city and surrounding area than many visitors see from just The Strip! Also, look for our new event invitation for Spring 2012 in Portugal – which promises to be a very special event taking in golf, cuisine, excursions and more!

Looking Toward the New Year

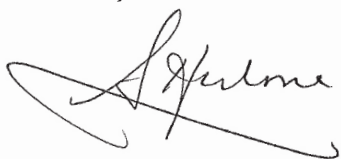
We are pleased to announce, following much feedback from members, that we will be launching Membership cards in 2012. You will receive your new annual card in the New Year after your fees are paid.

This year we also launched our quarterly Club e-newsletter, reducing all of the individual updates that used to be sent. We do hope you have been enjoying those updates, as 2011 has seen Diamond being able to offer you many more choices as we continue to expand and grow THE Club®. We have had a lot to talk about! THE Club® has provided not just more destinations and benefits, but new experiences for you to share, and opportunities to meet and explore the world with fellow members using your Diamond points.

We would like to give you notice of a change regarding points redemptions for maintenance fees. Beginning with 2013 and going forward, only Silver, Gold and Platinum Diamond Loyalty members will be able to use their points for maintenance fees.

We look forward to meeting you at one of our forthcoming events and remain dedicated to providing you with the simplicity, choice and comfort you deserve.

Sincerely,



Sarah Hulme
SVP Global Club Operations
Diamond Resorts International®

