

## Submitted Members' Questions to Diamond Resorts European Collection Ltd AGM 2014

Member	Question	Response
1. John WATERS – letter 8 April 14	<p>1. Should invitations to attend presentations on fractional ownership only be made to the under 70 age group?</p> <p>2. The cost of promoting fractional ownership in Tenerife alone, is estimated at over 900,000 Euros, how is this cost recovered?</p> <p>3. The recent upheaval caused by costs, and conditions of changes to upgrades suggests that members should be notified in advance of all member benefits amendments.</p> <p>4. It appears that DRI accommodations can be acquired through other websites, please explain at the AGM.</p>	
2. Arne DYBERG – email 8 May 14	<p>Upgrading of apartment has since Platinum members was introduced been free during many years as stated in DRI benefit list. Conditions presented in this list are considered as included in intention and concept of contract signed Owners/DRI. Recently introduced upgrading fee is not fair or covered by contract rules and has made many Platinum and other Premium members very disappointed.</p> <p>Consequently I (we) ask DRI management kindly to go back to previous conditions with free upgrading</p>	
3. John VIVIAN – email 25 May 14	<p>Why, when accommodation is being sold off to Groupon and Latrooms.com, can't it be offered to members first? We are often looking for accommodation, particularly in the UK and it is rather gauling to find that while I am not able to book appropriate accommodation using my points I then find the places that I have wanted to book being offer to one of these cheap holiday sites with even larger accommodation that I have been looking to book.</p>	
4. John ADAMSON – emails 26 and 29 May 14	<p>1. Why is so much inventory of larger apartments (size greater than studio) released for rent by DRI in peak season throughout Europe so far in advance of occupancy date which denies the members the facility to book these apartments for points?</p> <p>2. Also on scrutiny I found that the average member in Europe owns around 11,000 points, and yet the mean average rental cost DRI are renting these apartments out for across Europe is for was 20% below what the average member had to pay in 2014 management fee charges. Why when DRI rent these apartments out do they not rent them at higher cost than what members have</p>	

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	<p>to pay? It must be understood that these are not cheap promotional holidays but just standard reservations.</p> <p>3. Is the removal/costs increase for use of member benefits going to be an on-going process by DRI (I have now seen the variance clause in the document in small print) but I am sure many members bought many new points from DRI to move up a tier level of ownership level on representations and promises made by your sales representative of the added benefits they would receive on an on-going basis at the next tier level of ownership and this clause was never pointed out to the member. Surely benefits should be added to/improved rather than be eroded by DRI?</p> <p>4. As a platinum member I receive certain added value items when I holiday such as free internet.</p> <p>What I would like to know is why do my associate members and any of my guests not receive the same added value products when I book them on a holiday on my points in a separate apartment. I feel really cheated and when we holiday at the same time with guests/friends it is impossible to explain to them why they do not receive the same benefits as myself when I pay as much for their apartment as my own?</p> <p>5. Apparently sales representatives are now spreading the news that DRI are building new resorts (yes building not taking over) in mainland Spain and Tenerife. Is it too early to state where these will roughly be located i.e Costa Del Sol, Adeje, etc and how many new resorts will be built?</p>	
<p>5. Linda ANDREWS – email 26 May 14</p>	<p>1. Why can't wifi and safety deposit box's be free of charge for all members?</p> <p>2. Why do my associate members and any of my guests not receive the same added value products when I book them on a holiday on my points in a separate apartment?</p> <p>3. Why is so much inventory of larger apartments (size greater than studio) released for rent by DRI in peak season throughout Europe so far in advance of occupancy date which denies the members the facility to book these apartments for points?</p> <p>4. Why are, people booking through other agencies, eg Groupon, Booking.com etc., offered FREE grocery packs equivalent to those</p>	

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	we as members are charged for. On some occasions restaurant vouchers are an added extra as well.	
6. Jim and Shirley BLAKEMORE – email 27 May 14	<p>1. If members pay for an upgrade at a particular resort, is there any way that the upgrade cost be allocated directly to the resort itself?</p> <p>2. How does the inventory get allocated by DRI and is there any way of knowing how many weeks at a resort are owned by DRI and how many are owned individually?</p> <p>3. I know DRI are now offering an annual insurance policy against losing points if you have to cancel accommodation at short notice. Would DRI consider looking at an insurance policy where you could insure the payment of membership fees against the death of a partner. This would enable the remaining member the benefit of still enjoy the benefits of DRI ownership without the financial worry. Even if this insurance policy is for a guaranteed or a limited period say of 2-5years it might ease the financial worries and retain and increase membership levels and be seen as a benefit?</p>	
7. Dev RAM – email 27 May 14	With a record first quarter 2014 shown on the nasdaq stock market can members expect an affordable maintenance fee for 2015.	
8. Oliver TURNER – email 29 May 14	<p>1. Being a Platinum member I find it difficult to understand that if I book using my Platinum points, my associate members are not given the same benefits as myself. For example, no free WiFi, no newspapers. If they are points of platinum value then anyone occupying the accommodation that I have booked should be given the benefit. Why does this not happen, as the points have been paid for by a platinum member?</p> <p>2. When will Diamond invite all guests, not just Diamond members, to attend an "Update" as this could be a source of new members. Having said that if they continue to get cheap accommodation why join an "Exclusive Club" that anyone can use. Are we still the "Exclusive Club" that I joined, or are we now a holiday hotel?</p>	
9. David LUDLAM – email 31 May 14	1. You will be aware that Diamond Resorts has received much bad publicity on the Internet, arising from members who are very dissatisfied with their situation. The strongest complaints seem to be about the rapidly increasing annual charges, together with the	

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	<p>fact that you offer owners of points no easy way to dispose of them. I presume that you analyse the publicity, draw your conclusions about the issues and consider ways to rectify the situation. What actions do you intend to take to solve the problems and improve the company's reputation for the mutual benefit of the company and its members?</p> <p>2. This question about the sale of points through The Travel and Leisure Group is made up of three parts:</p> <ul style="list-style-type: none"> <li>- How many owners have been trying to sell points during the past year and how many have been successful in doing so?</li> <li>- For the deals that have been completed what are the minimum, maximum and median values of the number of points sold?</li> <li>- For the deals that have been completed what are the minimum, maximum and median values of the price per point?</li> </ul>	
<p>10. SG and LD PARKER – email 2 June 14</p>	<p>How do we cancel Membership of Diamond Resorts as we are no longer able to pay the increasing management fees?</p>	
<p>11. Roy &amp; Diane WEST – email 5 June 14</p>	<p>1. How, once we have had enough of our membership, due to age, financial, health, or just fed up with the system, can we leave? We know its written in the articles, but this is a case of applying on a one to one basis without a guaranteed outcome. I am now in my seventies and my wife 69, we have both had heart problems in the last couple of years and as pensioners have a limited savings, we used to pay a couple of thousand pounds “maintenance/management” charge, then Diamond took over and the prices rocketed, our 2014 charge was close on £6,200:00 and it is rising every year. When we joined Global in the late 1989 era things were much different, the then policy was if one did not pay the charges, the company confiscated the weeks owned/now points, end of story, no longer a member. Seeing as it has changed hands so many times since then and we have never to my knowledge signed any contract with Diamond, so not sure why we are bound by Diamonds rules?? Ask any rep. and ones always told the same old thing apply to the Trust at age 75, but we might still be in a position at that age to want to carry on for a couple of more years, but seemingly would have missed the boat. It's a very</p>	

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	<p>vague policy which no members seems to like and distrusts, it is not doing Diamond any favours at all.....</p> <p>2. Then there's the policy that (in our case) we can only have the Platinum Members "perks" free newspaper, free Wi-Fi etc. if we are attending, four of our five children are associated members but are denied these "perks" WHY, we have already paid our £6200:00 so why, its bad enough having paid that amount but then we are charged to use a safe, and I have just been charged for electric at Pine Lakes?? Its all very petty and unnecessary just causes more disillusionment with the company. I am sure the U.S.A. members would not put up with this.</p> <p>3. We, like all other members are being pestered with "fractional ownership" which seems to be Diamond selling their own apartments back to themselves after 15 years. This might be a good thing??? but to pester folk in their 70`s and 80`s is madness, if any in this age group want it they would ask.</p>	
<p>12. Stuart HARDING – email 6 June 14</p>	<p>Lots of people with in the club take longer holidays of more than 2 weeks. Could discounted rates for safes + parking be introduced for holidays lasting longer than 3 weeks as this becomes an expensive additional cost to your holiday.</p>	

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### **PLEASE DON'T FALL VICTIM TO THE OPERATIONS OF DISREPUTABLE RESALE/CLAIMS COMPANIES**

We would like to take this opportunity to remind all of our Members to be cautious when dealing with resale companies, particularly if cold called and/or offered services such as compensation claims, resales, disposals or participation in a class action.

As some of you may already be aware, various tactics are being used to manipulate timeshare owners into parting with cash. For instance, some operators are asserting that a member's timeshare will continue in perpetuity and will automatically transfer to their children upon their death. For Diamond Members, this information is incorrect. Whilst you may pass your membership on to a loved one, if the beneficiary does not wish to inherit the membership, they can simply disclaim it.

Members that have been persuaded are then being asked to pay an up-front fee. Very often, no service is provided.

For a list of companies that we have been warned about (either by Members/owners or by Mindtimeshare) please check the link on the Members forum of our website or visit Mindtimeshare's website directly (<http://www.mindtimeshare.com/Cold-Caller-List.htm>) before you pay any cash or sign up to anything. May we also warn you against paying any upfront fees to companies (particularly where the company does not accept payment by credit card).

Should you require further information about any company that contacts you, please do not hesitate to call our Customer Service team on 0845 359 0010 or send us an email : [euhsmd@DiamondResorts.com](mailto:euhsmd@DiamondResorts.com). Alternatively contact RDO, Mindtimeshare or TATOC.

Thank you.

Questions above are confirmed to have been received by fully paid up Diamond Resorts European Collection members as at 9 June 2014.