

MAUI LEA TIMESHARE GM'S REPORT

Aloha and Mahalo from your General Manager and his team! We would like to inform you of what we have done in the past quarter at the beautiful Maui Hill Resort. We are very happy to announce to the Board of Directors and to all of you that as a result of the scoring for the RCI Gold Crown from September 2015 to August 31, 2016, Maui Lea at Maui Hill has once again achieved Gold Crown status for 2017. I want to take this opportunity to sincerely thank the entire staff who has worked so hard to achieve this prestigious award; as General Manager of the property I feel very fortunate and blessed with such great employees. In my 33 years as General Manager, there have been only two years we have not achieved this status, so I am very pleased to receive this again for 2017.

- We have painted the living and bedroom glass doors, installed new ADA-compliant locks and hinges, and painted the interior doors (both sides) and jambs in 21 total units so far.
- As mentioned in our previous report, we have added new kitchen lights with ceiling fans in all units. This was a great suggestion made to our Board, and I appreciate the Board reacting by instructing me to get a quote and install these ceiling fans. Many of our owners and guests are commenting how nice these are in the units. We are hoping that with these ceiling fans as well as the tall tower fans in each of our upstairs units, this will reduce the usage of air conditioners.
- For the fiscal budget for electricity costs for the year ending, I am happy to report that we are under budget by slightly over \$50,000. I believe that by adding the ceiling fans, and also because the weather was not as hot as it was the previous year, this has helped to cut down on our use of electricity. Although we spent a little over \$24,000 to install these ceiling fans and lights, this has been more than recovered in electricity savings already.
- We continue to do restoration of the woodwork in vacant units with Orange-Glo cleaner to bring back the luster and Howard's Restor-a Finish on nicks and scratches to provide an updated look. This is ongoing by in-house personnel.
- Also on an ongoing basis, we are removing all of the covers of the dining room and bedroom chairs and washing them, and repairing any holes before putting them back. Having this done by in-house personnel instead of having a professional company come in to clean the cushion seats will save a lot for our owners.
- We are having our in-house person clean carpets as needed throughout the units; however, if any carpet cannot be cleaned to our expectations, we have a professional company such as CSI come in to clean them. In a few units we have also clean the floor tiles.
- Replacement of lanai carpets is being done as needed with a more upgraded lanai carpet that is not only more visually appealing but more durable and will last longer.
- We are repairing and restoring lanai tables and chairs on an ongoing basis.
- We are continuing in house staff to replace the lamp shades throughout the property.
- We are cleaning popcorn ceilings as needed throughout out the property.

- We have issued new blue beach towels for our owners, and at the front desk we have new green towels for pool or beach use that guests are welcome to sign out. This way, we will be aware of the exact amount of pool towels used per day, and can track the costs on a monthly basis.
- Upon checkout, we are replacing the sponge/scouring pad in all of the units for every change of guests. While using individually packaged sponges may be slightly more costly, they are more preferred for sanitary reasons.
- We continue to sharpen butcher knives and paring knives in the units as needed. While we appreciate Mr. Jacalone handling this for us until now, Rolando will be taking this over from now on. As mentioned in our previous report, we have installed on the dining table and coffee table of all units a nice fresh tropical-looking silk flower arrangement. We have received many positive comments as to how these have enhanced the look of the units.
- We are continuing on an ongoing basis to do kitchen inventory in all units. If there is anything you feel we need to add, please advise me and I will be happy to take it up with the Board.
- We have purchased new King and Queen flat and fitted sheets, and bed pillows are being replaced as needed.

As you can see, we continue to remain busy and proactive in doing whatever it takes to maintain our excellent reputation in the industry. We would like to thank the Board of Directors and Ruth Okada our Management Company, Mike and Frank Robar co-plan Manager, Nancy Benson Homeowners Services, and last but not least Tom Von Rosen Principal Broker Lea Properties, for their support, and for continuing to find ways and means to ensure we uphold the integrity of the property.

Respectfully submitted,

Happy Holidays to you and your loved ones.
Dennis Costa, General Manager

MAUI HILL AOAO GM'S REPORT

Aloha and Mahalo from your General Manager and his team! We would like to inform you all of what we have done in the past quarter at the beautiful Maui Hill Resort. As you can see, we continue to remain busy and proactive in doing whatever it takes to maintain the integrity of the property to the standards for which we are known.

- We have painted and refurbished the sign at the entrance of the property by Kihei Road, and in front of units #45 to #48. This sign was originally done when the property was first built, so it was in need of an update. The lumber was removed and replaced with new redwood lumber, which then was clear-coated top of the line varnish called Cetel to bring out the beauty and luster of the wood. All the letters were refurbish and painted; we added additional torches, two on each side, to bring out the beauty of the sign. This has really enhanced the entrance of

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the property, providing a positive first impression. Many owners and guests have commented on how nice this looks and how it contributes to the tropical ambience of the property.

- We have had in-house personnel install a new top on the portable bar by the pool, with new bamboo, new lauhala matting throughout and urethane to seal it. We are very pleased with the result; it now looks like a brand new portable bar.
- Repairs have been done by in-house personnel by units #1 #2 #35 #36 #37 #38 #81 # 82 #87 through #90 on deteriorated lumber in the landings, beams, support poles, and fascia boards, with new nuts and bolts as well as termite pans installed on the bottom of the poles to make them a lot more secure and to prevent damage in the future.
- The steps of Units #43 and #44 have been repaired and replaced, and the landing of Unit #44 has been completely redone.
- Repairs to the back lanai of Units #45 and #46 have been done on the support pole beams and landings.
- We have repaired and restored the tables, chairs and chaise lounges in the pool area.
- We have added plantings throughout the property, and also by the three waterfall areas to enhance the beauty and integrity of the property for our owners and guests to enjoy.
- We have trimmed the oleander hedges on the right side as you drive up the property from Units #45 through #114, and also in the back area between Maui Hill and Maui Kamaole, from Units #1 through #82. We want keep the hedges in those areas low as it will be easier to for our employees to access for trimming in addition to increased safety as they won't need to use scaffolding when doing so. However, we have discussed with our yardmen that the oleander by our neighbors on the right side as you enter our property should be left to grow to provide a privacy screen from the unsightly wall and bamboo.
- We added a 250' drip line by Unit #1 down to Kihei Road between our property and Maui Kamaole to irrigate the ground cover and bougainvillea we have planted to improve the look of that area.
- In several areas we have added a blackjacket border and gravel 1-4 feet away from the building. This will make it easier for the yardmen for trimming, and will also prevent splashing up from the rain should we decide to undertake recolor of the buildings.
- Tree trimming has been done throughout property for both aesthetic and safety reasons. This includes the signature tree by the pool, as an arborist did recommend we have this done for the ongoing health of the tree and for safety reasons. Unfortunately, as a result we have had comments that this has affected the amount of shade available by the pool, but by next year the tree should have grown sufficiently to provide more shade.
- We have painted the curbs and arrows by the office, and we are having Mark, our pool attendant, paint walkways and landings throughout the property on an ongoing basis.
- We had Ohana Pool Supply come by and repair the tiles on the bottom of pool.

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- We are currently dealing with a problem with our spa; the side jets are working but the bottom jets are not. There was apparently a short in the main electrical board, and although the contractor has replaced it twice, it remains defective. We have ordered two new boards and thus should hopefully have the bottom jets working soon as well to have the spa operating to its full capacity. This contractor is under warranty so at this time to avoid additional costs we are reluctant to change contractors.
- As mentioned in our previous report, we intend to replace the grounds men shed. We apologize that there has been a delay in this, but we plan to have this done during this year's fiscal budget.
- Also as mentioned previously, we have installed additional fencing between our property and Maui Kamaole, which has helped to discourage people from trespassing onto our property.
- We have adjusted lights in the hallways and walkways with the change of seasons to save electricity costs.
- I am pleased to report that out of all 52 Aqua-Aston properties, Maui Hill has recently been awarded the top safety award for 2015 the plaque is proudly on display in the office for all to see.

Again I would like to thank the Board of Directors for always thinking of ways to maintain the integrity of the property, for their support of ongoing improvements each year as well as gradual improvements throughout the year. I would also like to express my sincere gratitude for the support of all the owners, and of the Management Company.

Respectfully submitted,

Dennis Costa General Manager

Happy Holidays to you and your loved ones.

ANNUAL OWNERS MEETING SUMMARY INCLUDING ELECTION RESULTS

Congratulations to Robert Jacalone and CJ Law on their re-election to the Board of Directors. They will both serve for 3 year terms. Also, congratulations to Timothy Ohm on his election to the Board of Directors, who will serve a 1 year term.

PRESIDENT'S REPORT FOR 2016 ANNUAL MEETING – ROBERT JACALONE

During the past year your board has had both accomplishments and challenges.

ON THE ACCOMPLISHED SIDE

First, the renovation project started in 2014 was completed this year, ahead of schedule.

Secondly, as a result of the request of a number of owners, the board investigated the possibility of installing a fan with light fixture in the kitchen of the units.

I'm pleased to report that after the completion of the renovation project, there were sufficient funds in the reserves for the project and the job was completed this year. Hasn't that been a great improvement?

Third, as a finishing touch to the new decor, new flower arrangements have been added to the Living Room and the Dining Room.

ON THE CHALLENGE SIDE OF THE LEDGER

The Masdeo Law suit, which I discussed later in the meeting, and the increase in maintenance fees; the latter was very painful for the Board.

The major components that caused the increase were: Internet and Property tax.

First, the number one complaint has been internet performance. It was slow and dropped off frequently. As technology has changed, with multiple devices putting more demand on the internet, the internet speed requirement had to be increased.

This year the old contract with Time Warner for bundled TV and Internet expired. The AOA negotiated a new contract for TV and internet with an improvement to the internet speed to 100 Mega Hertz by 10 Mega Hertz. The old speed, best at the time was 5 by 1. The increase; 20 times

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faster input and 10 times faster out. As with any new contract with improvements there are cost increases.

What do you think about the new internet service?

Second, The Maui County property tax assessment has increased by 29% over the previous year. In dollars, using last year's tax rate, it jumped over \$152,000 or to you the owners, roughly Five and a half dollars a quarter per interval.

After much research, the board has made a formal appeal to the County and is waiting to be called to justify the appeal. The board feels confident that there should be some relief, however if it happens, any reduction will probably not be reflected until next year's taxes. In the meantime, the taxes must be paid as assessed.

TO THE FUTURE

As a new initiative, I would like to bring the association into the 21 century and establish more communications via E-mail. The cost of postage continues to climb as well as material and labor cost to send postage via snail mail. I know some people either do not use E-mail or would rather not receive information via E-mail. Interesting enough today out of approximately 2700 owners we have collected close to 2200 E-mail addresses or roughly 80%. With your help we can get close to 100%. I have no problem having to send out a couple of hundred snail mail packages versus 2700. I would hope that in the near future you will receive your Annual meeting notices, Quarterly billing and newsletters via E-mail. Naturally, we will ask owner if they will "opt in" to the E-mail correspondence. I am working with Nancy, Ruthie and the Robar's to implement the systems to make this happen.

In all this has been a good and challenging year.

I would like to thank the board for their hard work and support. As well as Dennis and his great staff that keep Maui Hill the number one resort on the island. Also our management teams, Ruthie with her Aston staff and the Robar's. Again, I would like to thank you, the owners, for your interest and support. I enjoy having discussions with owners regarding Maui Hill, the Association and its workings. I am available to discuss any matters, except the U.S Presidential election, with owner at any time.

THE LAW SUIT

The Masdeo lawsuit, as background, a lawsuit was filed by Mr. Masdeo for improper removal from the Maui Lea Board of Directors in September 2013.

I am pleased to report that the parties have amicably resolved all the differences. As a result the suit is closed and as required by the resolution of the suit, the board cannot discuss any of the details.

GOLD CROWN - WE DID IT AGAIN!

As you know Maui Lea is a member of RCI which is one of the leaders in vacation exchanges. They offer an awards program which allows better exchanges for our owners, with higher the designations.

It is with GREAT EXCITEMENT & PLEASURE that we announce Maui Lea at Maui Hill has once again has been awarded RCI's highest designation of a "Gold Crown Resort".

Maui Hill is now 36 years old and continues to be competitive with brand new properties. Our special thanks to the staff and management of Maui Lea who made this all possible.

Here is the criteria and our scores.

Criteria	RCI Rating (Minimum)	Maui Lea Rating
Check In & Check Out Services	4.6	4.7
Resort Hospitality	4.5	4.5
Resort Maintenance	4.5	4.8
Unit Maintenance	4.5	4.6
Unit Housekeeping	4.5	4.6

POSSIBLE SALES TAX DEDUCTION

Under The American Jobs Creation Act of 2004, taxpayers who itemize their deductions have the option of claiming either state and local income taxes or state and local sales taxes. The portion of Maui Lea assessments (i.e. maintenance fees plus special assessments) that qualify for the state and local sales tax deduction is 4% of the amount actually paid during the year.

Maui Lea interval owners are advised to seek the advice of their own tax counsel as well as Internal Revenue Service publication #600 to determine if this possible deduction is applicable to their personal tax returns.

Frank Robar
Co-Plan Manager

PROPERTY TAXES

Real property taxes for the year 2016 are as follows:

1BR = \$127.05
2BR = \$137.64
3BR = \$173.26

TRADING PLACES MAUI



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ACTIVITIES ON MAUI

Lobby Activity desk is your convenient way to book tours, dinner reservations, and golf tee times. Dining coupons and information on the latest new stuff are easy to get! Attend the poolside (first morning only) 'briefing' to learn about the various tours at discount prices. To guarantee availability, please email or call in advance. For example, OLD LAHAINA LUAU sells out 60 days ahead!

TE AU MOANA, the nearby luau at Wailea Marriot, is performed on the roof while the grounds are being renovated. You will feel like you are on a ship with the ocean and Haleakala Crater views all around!

Retail price is \$110, but you pay \$92, which includes fresh orchid flower lei, premium drinks, Polynesian buffet, and exciting show.

QUICKSILVER, the double deck power catamaran, has a sunset dinner cruise. Retail price is \$90, but you can get it for \$68! This vessel also offers snorkel trips daily to the world famous MOLOKINI CRATER, with extra features such as waterslide, large main deck restrooms, glass view window, and a BBQ lunch! Kids 6 years old and under are free.

LANAI ISLAND is another great choice for a getaway day!

TRILOGY is a third generation trimaran (vessels with triple hulls, as opposed to the twin hull catamaran) with van tour and BBQ, plus beachside snorkeling on this private Island. Weekdays only from Lahaina Harbor 10am-7pm! \$205

Promotional rates on **ULALENA**, the beautiful play all about Maui, performed on Mondays, Tuesdays, Thursdays, and Fridays at 5:00 pm, in a \$10 million theatre, and/or BURNIN LOVE, (Elvis reborn!) at 7:30pm (same nights) are not to be missed.

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There is only one 1500 acre pineapple plantation left! You may enjoy this tour in **Hali'imaile**, at 9:00 am or 11:30 am. That includes van tour through fields and complimentary tasting plus gift box! Lunch at Hali'imaile General Store is also an option for \$80

There are so many fun things to do here.

Hope to help you!

Donya
808-879-6321 Ext 5104
donya@hawaiianstyleactivities.com

HOME OWNER SERVICES

Let's go green! Your owner's questionnaire can be submitted online via our web site: www.mauilea.com. You only need to submit it once for the current year unless your plans have changed.

If you are travelling with guests, please don't register them until you arrive on property.

For owners that are not coming but are sending guests in their place, please be sure to register them in writing via your questionnaire or an email prior to their arrival. This will avoid them showing up unannounced and creating a check in problem for your guests. Once we have your their names, you will be mailed, or emailed a confirmation letter which will include the resorts surcharge fees and the states taxes. These fees will be due upon check out.

Owners have the following options each year on how to best utilize their timeshare intervals

- Use the time you own.
- Bank / Exchange it. We have two affiliated exchange companies: RCI, www.rci.com, and TPM, www.tpmaui.com.
- Send a guest in your place.
- Rent your time. You may fill out a rental application on line: www.mauilea.com

(Rentals are never guaranteed, you have the option to bank it 90 days prior to your start date)

Keep in mind that as an owner, you must authorize the use of your week each year. This form allows you to register your guests, or to let us know if you will be using your time. To bank your time or list it for rental you will need to contact these sources directly.

Keep in mind that if you don't use it, bank it or list for rental and it sits open, you have lost it! Planning in advance is always helpful no matter what you decide to do with your week(s).

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If you have moved or changed your contact information, please update us. You can do this on our web site at www.mauilea.com.

If you have any questions about your ownership options, please feel free to contact me.

Aloha,
Nancy Benson (B) R
Owner Services and Resale's
www.mauilea.com
nancyb@mauilea.com
(808) 879-6321 ext. 5102

SALES UPDATE

Lea Properties LTD is the onsite real estate company for the Maui Hill Resort. We specialize in timeshare resales and whole ownership unit sales.

We have created a new web site! Please visit us at www.mauihillsales.com.

If you are an interested buyer, you will find a list of units and intervals for sale.

If you are a seller, you will find answers to your questions and all the forms you need to complete to list your unit for re-sale.

Please contact us if you would like to purchase or need assistance in selling.

Tom Von Rosen (PB) 808-879-8802 email: mauihill@maui.net
Nancy Benson (R) B 800-345-7301 or cell: 808-298-3954 email: nancyb@mauilea.com
Sharon Paley (R) cell: 808-276-6307

We hope to hear from you soon.

Aloha,
Lea Properties Sales Team

MAUI LEA ASSOCIATION INTERVALS FOR SALE

Maui Lea would like to remind all of our owners that the association has inventory for resale. Prices are very reasonable!

To receive a list of what is being offered please contact one of our sales representatives with Lea Properties, or go to the following website to view our inventory: www.mauilea.com.

TRANSFER OF TITLE AND DEEDS

Your Association would like to remind you to consider adding another person to your title which may prevent problems in future ownership issues.

We cannot stress to you enough the importance of keeping your title updated. Taking the necessary steps now can save your family heart ache and money in the future. Please note that there is a cost for this service.

Maui Lea works with:
Pro-Docs Hawaii
Grant Ono • gono@hawaii.rr.com
P.O. Box 1 • Aiea, HI 96701
Telephone: (808) 551-1448 • FAX: (808) 487-3627

MARK YOUR CALENDARS

Below are the board and annual meeting dates. Future meetings will be scheduled at the Organizational meeting after the September annual meetings:

AOAO Maui Hill

January 20, 2017 – Board (Maui)
April 19, 2017 – Board (Las Vegas)
September 28, 2017 – Annual/Board (Maui)

Maui Lea Time Share Association

January 20, 2017 – Board (Maui)
April 20, 2017 – Board (Las Vegas)
September 27, 2017 – Annual/Board (Maui)



QUESTIONNAIRE

This questionnaire is for informational purposes only.

To bank your week with an exchange company please contact them directly.

Name: _____

Phone (home): _____ Phone (work): _____

Your Unit Number: _____ Interval Dates: _____

And Unit Number: _____ Interval Dates: _____

**We kindly request you do not exceed the occupancy limit of your unit.
One bedroom sleep 4 Two bedrooms sleep 6 Three bedrooms sleep 8**

My plans for the year _____ are as follows:

- We will be using our time and the total number in our party will be _____
- We have authorized our guests to use our time, please register their names at the Front Desk

Guest Names: _____

- I have or will deposit my time with RCI, by calling (800) 338-7777
- I have or will deposit my time with TRADING PLACES MAUI, by calling (800) 345-7301
- I have or will put my unit up for **RENT** with Aston Hotels & Resorts, by calling (808) 879-6321
- I want assistance with my options, please contact me at phone: _____

In case of an emergency while you are at the Maui Hill, please supply us with a name and number of a contact person:

Emergency Contact Name: _____

Telephone Number: _____