

MAUI LEA TIMESHARE GM'S REPORT

Aloha and welcome from your General Manager and his team! We would like to provide some updates as to what we have been undertaking since the last report.

We are continuing to be quite busy in doing what it takes to maintain the integrity of the property to meet our owners' and our guests' expectations of the resort.

As you all know, we are well underway with our refurbishing of the units, and in fact ahead of schedule with the carpets and furniture. Let me give you an update of what we have done so far.

1) In-house painters have painted 23 units so far. Painting is the most labor-intensive portion of the refurbishment. It will take another year to finish up the painting, which will be completed by June of 2016, within the two-year period originally planned for.

2) Wayne's Carpets have installed carpets in 49 units; the remaining carpets will be installed by the next four months.

3) In 60 units new furniture (two-piece sofa sectionals with rattan arms, and two recliners) have been installed; another 16 are to be installed in the next month so this will be fully completed by the end of May.

4) Of 152 recliners ordered, 151 have been placed in units so far, leaving just one back order to go.

We have had many favorable comments regarding all units that have been completed with new painting, carpeting and furniture. Please note that painting of ceilings and beams were not originally part of the plan, but we're doing this as well. In addition, in upstairs units, we are screwing down the joists to help eliminate some of the noise transfer between floors. In units that have been done, comments we have received indicate that although this has resulted in an improvement, it has not fully resolved the issue. There are many variables that are difficult to control that affect and influence noise transfer between floors, including how people walk, whether there are children in the unit, etc. We would like to thank the Board for taking the initiative to address this challenge. As projected, the next phase will be the painting of screen doors, bedroom doors, storage doors, the owners' closet doors, and the screen door and French door handles. When we go onto the next phase, I am considering buying a number of new screen doors to help expedite this process, as it is quite a bit of work to replace screens and sand down the frames. Therefore, we should have some on hand to stay a step ahead and to ensure this project is completed within a reasonable period of time while hopefully continuing to meet our budget projections.

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On a continuous basis, the lanai table and chaise lounge chairs are being re-straped, recoated, and painted throughout the timeshare units as needed; this will be an ongoing project. Perhaps down the road as monies permit, we might want to consider having more of a decorative and comfortable furniture package. We have replaced refrigerators, microwave ovens, and air conditioners in several units as needed. We are replacing the air-conditioners with more energy-efficient models that are a lot lighter as their frames are made out of plastic as compared to the metal frames in previous models. We are in the process of researching the use of air conditioners with higher BTU's than what we now have in order to cool the room in a shorter period of time, and which also have remote controls to set the amount of time instead of having to run them continuously for 24 hours, an unnecessary waste of energy and money.

As we are about to approach our new service period in the month of May, we are therefore once again preparing to have all units receive a general clean and a complete kitchen inventory undertaken. We will also clean all cabinets, dressers, end tables, and coffee tables with Pro-Tex-All in order to restore the luster of the woodwork. We will be checking glass blocks in the bathrooms to see if the grout needs to be replaced or redone, and will proceed with sealing the grout if necessary. We are investigating floor tiles throughout all units to see if a professional cleaning would be warranted, in which case a proposal would be requested to see if this would be cost-effective to have this done. All ceiling fans, bathroom filters and air conditioner filters will be inspected to ensure they are clean and operational; clean filters means appliances operate a lot more efficiently. I know that some of our refrigerators have been here at least 20 years; we do replace them as needed, but during this service period we will do an inspection to ensure all lint is removed so that they run more effectively and last as long as possible. Besides air conditioners and washers/dryers, refrigerators are responsible for the highest consumption of energy, as they're continuously running for 24 hours, so we want to ensure they're working as efficiently as possible. We will also be servicing all washers and dryers, ensuring that we not only clean the lint trap itself in dryers but also ensuring that the entire area adjacent to this on the wall of the dryer is vacuumed thoroughly with a long nozzle; this is an area where lint tends to be trapped, not only affecting efficiency but also posing a potential fire hazard. If there are any requests for particular items needed or anything owners might want to see added to the kitchen inventory of units, please let me know; I will look into it and add these items to the inventory in order to maximize owners' and guests' enjoyment and to enhance their stay.

We have placed information cards in all units as to how to hook up to the internet, as we were having calls from many guests requesting information about this. A related item is that as many owners and guests request at the front desk to have their boarding passes printed out. While we are glad to do this, it is time consuming and an inconvenience for guests having to wait while other guests are checking in or out. We would like to request that a desktop computer and printer be installed in the lobby such as the kiosks we have had in the past; this would increase owners' and guests' satisfaction to have these on hand for their use.

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We want to report an incident that occurred at one of our managed properties, and this is not meant to alarm, but rather to inform everyone. It is very important that after entering your unit that you lock the door behind you immediately. Unfortunately for one of the guests at the property mentioned, even though they were in the unit, someone gained access to the unit through the open front entrance door, and the intruder already had in their possession several electronic items when apprehended by the guests, who asked them what they were doing. The intruder immediately ran out of the room, taking the items with them. The safety of all our owners and guests as well as our staff is of paramount importance here at Maui Hill, so we request your cooperation in ensuring everyone's safety as well as the security of personal possessions by always keeping the door locked, both when occupying the unit as well as when you leave. Maui may indeed be paradise, but unfortunately there is always the possibility of those who are looking for an opportunity for taking advantage of others' trust, so let's all be careful. Just as a reminder, Maui Lea owners are not being charged for the use of the in-room safe, so take advantage of this feature; it's better to be safe than sorry.

As far as future thoughts for the timeshare units, I would like to inform the Board of some of the feedback we receive from some RCI members with respect to the expectations these guests have for Gold Crown standard. Some of this feedback relates to housekeeping with comments about cleanliness in the units. As the General Manager, I take full responsibility for this, and advise that this we are working on this on a daily basis as we strive to improve the scores in those areas. However, RCI members also comment that they expect more service during the week they are here. As you all know, they are often coming in from newer resorts and therefore have higher expectations with respect to the amount of housekeeping service they are provided. While we are being proactive in some areas such as refurbishment of carpets and furniture as well as painting of the units, we are confident that once the refurbishment is done, our scores will be up to the expectations of the Gold Crown standards. I welcome any comments or suggestions you may have.

Once again, I would like to thank all of our owners and our Board of Directors for having the vision of doing what it takes on a yearly basis to continue to maintain the integrity of Maui Hill.

Sincerely,

Dennis Costa, General Manager



MAUI HILL AOA GM'S REPORT

Aloha from your General Manager and his team! We can't believe a year has gone by so quickly; here we are again in Las Vegas for another meeting to work on our budgets and to inform our Board of Directors and owners what we have done in the last three months.

As you can see after reading my report, the staff has been quite busy in maintaining the integrity of our beautiful resort. In the past quarter, we have been monitoring the calls regarding termite droppings throughout the property. In the past we have been doing some spot treatment to prolong having to get the buildings tented. However, my recommendation is that we now start tenting the buildings, having at least two buildings tented every service period starting with the period approaching in October with Buildings A & B, followed by Buildings C & D in May 2016, and continuing on two buildings at a time until completed. If we do four buildings every fiscal year, tenting of all twelve buildings will be done in three years. Also, in order to prevent more termites, we are having our in-house carpenters replace all deteriorated lumber throughout the property, including steps, landings, fascia, and pole beams. There are also areas on the fascia boards on the second level of the buildings which need replacing, but it will be necessary to hire a licensed contractor to replace those beams. This is an area previously identified as a priority needing to be addressed, and will be therefore be focused on until this project is completed. We have recently replaced the steps, fascia and support beams by Units #87-90; we have replaced the pole beams by Units #5 & 6; and we are working on Units #103-106. On lanai areas we have found that the flashing where fascia boards meet the carpet has deteriorated, so when replacing those fascia boards we are also replacing the flashings with copper flashings. These may be more expensive initially but should last another 30 years, so they will be cost effective in the long term.

We also had in-house personnel do an inspection of all lighting on the property, finding some areas of concern which we have addressed by adding high voltage LED lights, spotlights throughout the property, as well as adding LED lights to shine on all barbecue grills. We have replaced hallway carpets throughout the property with a higher end quality of carpet; these should last longer than the grass-type of carpets we have been using all these years. The surface of the tables in the pool area has been refinished, and we have replaced the indoor-outdoor carpet under the umbrella tree by the pool. We have had all directional signs throughout the property repainted which has really brightened them up and made them much more fresh looking. The fire hydrants have been sanded down and repainted; this new type of paint was recommended to us as it is supposed to more durable and long-lasting. We have also added new 4' x 4' posts for the signs, which look updated and also will ensure the signs last longer as they won't deteriorate. We have recently painted the barbecue walls and benches of all 15 barbecue areas. I am pleased to report about the initiative of one of our employees, Kawika. We had been purchasing a lot of knobs for the Weber barbecue grills due

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to the tendency of guests, when using the barbecue grills, to just turn the knobs rather than pushing the knobs in before turning, resulting in the threads being stripped, despite our best efforts of displaying instructions clearly on the barbecue grills. This of course was not only expensive, costing \$10 per knob to replace, but also creating an inconvenience for owners and guests. When this was presented to Kawika to see what he could do, he came up with an idea to eliminate the problem by placing a screw so that the knobs can only be turned left or right to turn on the barbecue or to adjust the temperature. As there is no pushing required, there is no chance of stripping of the threads on the knobs, a simple but effective idea that will be a cost savings for us in the long run. With respect to the barbecue grills, although we do clean them once a week, and we have provided wire brushes for guests to clean the grill after cooking, we have had guests report to us that grills are dirty when they go to use them. If at any time you're out there to use the grill and find them dirty or needing a replacement brush, please help us by ensuring this is brought to our attention immediately. We all need to work together as a team to ensure success.

We have also done some repairs on the hand railings of the stairs going down to S. Kihei Road. These railings were rusty so they have been repainted and the base of the railings re-cemented to ensure safety as well as longevity. As you all know, our neighboring property, Maui Kamaole, trimmed their trees in that area so we did so with ours as well. We planted an additional 60 bougainvillea bushes there, and will continue to add more foliage to increase the beauty of that area both from above as well as from street level. We have noticed that since the trees have been cut down or removed that more owners and guests enjoy the views, not only of the ocean but also of the sunset and whale watching as well.

We recently detached the grass area at the putting green and also the grass by Unit #47 when driving up the property. We do have golf-course quality grass which is thick and dense, so it needs to be detached often to ensure the golf balls will roll smoothly. We have also fertilized the grass to keep the putting green looking PGA quality for our owners and guests to enjoy once it's completed. Our grounds crew has fertilized all the grass areas throughout the property to continue to maintain the lush and green look. We also had a licensed contractor trim the coconut and fan palms throughout the property for safety reasons as well as aesthetic appeal.

We have mentioned in previous newsletters about enhancing the landscaping by Units #69-102, and #115-140. In addition to our regular day to day landscaping, we have focused on upgrading these areas, adding more dirt, grass, and colorful plantings to produce more of a tropical garden setting than we had in the past; we will continue to improve this as time permits. We have added a third waterfall feature by the front part of Building G; this will enhance the beauty and integrity of the property as is aesthetically pleasing and, like the other two water features, has been a popular addition for all of our owners and guests, the subject of many photographs! It is so nice to hear owners' comments that when they return

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year after year we have continuously improved the property; in fact, many have said that the maintenance fees we pay have been well spent.

We are adding a storage room to the maintenance building; this will hopefully assist in-house staff to be more efficient in their job duties & responsibilities. As you all know, the County has added a sidewalk in front of Maui Hill on S. Kihei Road, and now they are starting to continue this from the Maui Hill sign until the beginning of Wailea.

For future consideration, besides of course our main priority of extending the lease for the Maui Hill Resort, I would recommend the following:

- Termite tenting done throughout
- Painting of the exterior stucco of all buildings to provide a fresh, clean, and crisp look to ensure a positive first impression and to showcase our pride in our resort
- Patch, repair and reseal the parking lot asphalt
- Considering the possibility of installing solar power on the property. Besides labor, electricity is one of the highest operating costs at the property, so we need to be open to other possibilities and explore other options.

In closing, I would like to thank all of our owners and our Board of Directors for their continuous support in helping maintain Maui Hill Resort to the high standards for which it is known in the industry, a positive reputation of which we are all very proud.

Sincerely,

Dennis Costa, General Manager

MARK YOUR CALENDAR

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

September 22, 2015 – Annual/Board (Maui)

Maui Lea Time Share Association

September 21, 2015 – Annual/Board (Maui)

BUDGET FOR FYE 6/30/2016

Your Board of Directors along with the management team of Maui Lea worked diligently on the budget for the upcoming fiscal year and an increase was unavoidable. A copy of the fees by interval type and the approved budget schedules are attached to this newsletter. The following areas impacted the budget:

- Salaries - Higher employee wage increases to be competitive with the Maui labor market.
- AOA Dues – Increased by 3.69%.
- Real Property Taxes – Increased by 6%.
- Lease Rent – Increased by 4.15%.
- Bad Debts – Set up bad debt to account for uncollectible.

Many thanks to Dennis Costa and his great staff in controlling costs and continuing to maintain the quality of our operation at a high standard.

If you have any questions on the budget, feel free to contact any Board member, Dennis Costa or Ruth Okada, Co-Plan Manager.

TRADING PLACES MAUI

Trading Places Maui appreciates your continued support and business for the past 20+ years!! Our on-going commitment to Maui Lea owners continues with the following personalized services:

- Top priority to Maui Hill Owners for internal exchange requests
- No membership fees
- No exchange fees due until your vacation is confirmed
- Upgrade options available
- Credits good for two years
- Credit extension available
- Rewards Program for banking Hawaii weeks more than one year in advance
- Discounted car rentals
- CSA travel insurance *see below

*We highly recommend travel insurance for any upcoming vacation. Here are the plan basics and for specifics, please contact CSA directly at 1-866-321-3001.

ProtectMe at \$65

- Maintenance & Exchange Fees can be covered if you cancel or interrupt your trip.
- Coverage for lost or stolen baggage, damage to your rental car and more.
- Assistance services like a 24/7 emergency hotline, access to on-call physicians and roadside assistance.

ProtectMe Plus at \$139.

- All the benefits that come with the standard ProtectME Plan.
- Coverage for additional arrangements like airfare if you cancel or interrupt your trip due to a covered event.

This plan provides insurance coverage for your trip that applies only during the covered trip. You may



have coverage from other sources that provides you with similar benefits but may be subject to different restrictions depending upon your other coverages. You may wish to compare the terms of this policy with your existing life, health, home and automobile policies. The purchase of this plan is not required in order to purchase any other travel

product or service offered to you by your travel retailers.

If you have any questions about your current coverage, call your insurer, insurance agent or broker.

Plans are available to residents of the United States or non-residents traveling to the U.S. Benefits and services are described on a general basis. Certain terms and conditions may apply. Your vacation rental manager/owner may not be licensed to sell insurance and cannot answer technical questions about the benefits, exclusions, and conditions of this insurance and cannot evaluate the adequacy of your existing insurance. For complete information on policy benefits, limits and exclusions, please contact CSA at (866) 321-3001 or www.csatravelprotection.com/certpolicy.do productclass=G-12VO for a sample Description of Coverage or Insurance Policy for this plan. These plans are administered by CSA Travel Protection and Insurance Services. Services are provided through

CSA's designated providers. Travel Insurance is Underwritten by: Generali U.S. Branch, New York, New York; NAIC # 11231 (all states except as otherwise noted) under Policy/Certificate Form series T001. Generali U.S. Branch is rated A ("Excellent", 3rd out of 16 Categories A++ to S) by A.M. Best Company® for financial strength and operating performance (Ratings and analysis as of 6/6/12). California is underwritten by Generali Assicurazioni Generali S.P.A. (U.S. Branch), Colorado is underwritten by Assicurazioni Generali – U.S. Branch, Oregon is underwritten by Generali U.S. Branch DBA The General Insurance Company of Trieste & Venice, and Virginia is underwritten by The General Insurance Company of Trieste and Venice – U.S. Branch.

Contact us today by calling our toll free number 1-800-345-7301 or visit us at www.tpmaui.com

HOMEOWNER'S SERVICES

Questionnaire Guidelines:

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:

- 1) Use the time you own.
- 2) Bank / Exchange it. We have two affiliated exchange companies: RCI www.rci.com;

TPM www.tpmaui.com

- 3) Send a guest in your place.
- 4) 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).

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

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

Nancy Benson (B) R
Owner Services and Resale's
www.mauilea.com
nancyb@mauilea.com
(808) 298-3954

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: 808-385-9082 email: nancyb@maulea.com

Sharon Paley (R) 800-345-7301 email: Sharon@tpmaui.com

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.maulea.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.

Maui Lea works with Pro Docs Hawaii. They are very familiar with our property and can assist you in transferring or adding someone to your title. We cannot stress to you enough the importance of keeping your title updated. Taking the necessary steps now can save your family heartache and money in the future. Please note that there is a cost for this service.

If you need to change your deed, please contact:

Grant Ono with Pro Docs Hawaii

gono@hawaii.rr.com

Telephone: (808) 551-1445

Estimated Costs:

\$209.42 for his services • \$31.00 for the recording fee

Any conveyance tax owing • Notary fees and mailing fees



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: _____