

the westin ka'anapali ocean resort villas

spring 2010 - ocean resort villas association newsletter

Dear Owner,

Your vacation experience is extremely important to us. We are excited to share several new initiatives designed to more effectively communicate with our Owners. Multiple times a year your management company will share updates regarding your Association. These updates will include, for the first time, an overview of the financial health of your Association, a list of your Board members, important dates for Board and Annual Meetings, resort updates, and other pertinent information relating to your vacation ownership interest.

We welcome your feedback to help us further improve our communication efforts with our valuable Owners.



We are pleased to welcome Angela Nolan as our new Hotel Manager. Angela was born in Bombay (Mumbai) India, and grew up in Northern Virginia near Washington, D.C. Angela is passionate about traveling and loves spending time with her husband, Fernando, and step-daughter, Ashley. For personal renewal, Angela enjoys the occasional shopping spree and going to the spa or beach. In her new role, Angela will oversee resort operations and Owner relations. Angela will also be the property connection to your Association as well as lead the team on guest satisfaction, brand compliance, revenue streams, and enhance integration with our sister properties.



Additionally, please welcome James Guindon as our new Director of Finance. James was born and raised in Washington D.C. James is passionate about the ocean and enjoys spending time at Keawakapu Beach with his wife, Marnie and his daughter Taylor and his son Deacon. For personal renewal, James and his family enjoy taking vacations to visit family in Washington, D.C. and New England. James will lead the strategic alignment for the resort's finances including the creation and management of annual budgets and monthly forecasts as well as build upon a strong relationship with your Association and the Orlando Corporate Office. Through his strong leadership skills, James will mentor resort Associates on becoming more financially educated on key revenue drivers and methods of cost control.

resort updates

- Received approval from the local regulatory groups to begin the removal of invasive plant species along our beachfront, specifically the Kiawe Trees. This will dramatically improve the ocean views from all villas on the property.
- The developer completed installation of new Sky Shades at Ka'anapali North by replacing the umbrellas at the Pailolo Bar & Grill, improving the shade coverage and weather protection of the restaurant. Boasting magnificent oceanfront views, this sports bar-style restaurant is a perfect setting to relax, unwind and enjoy grilled selections and refreshing specialty drinks.
- In addition, Pulehu, an Italian Grill sets the standards for Italian dining. We offer Italian cuisine with a modern flair, designed for the family at affordable prices.



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VACATION OWNERSHIP

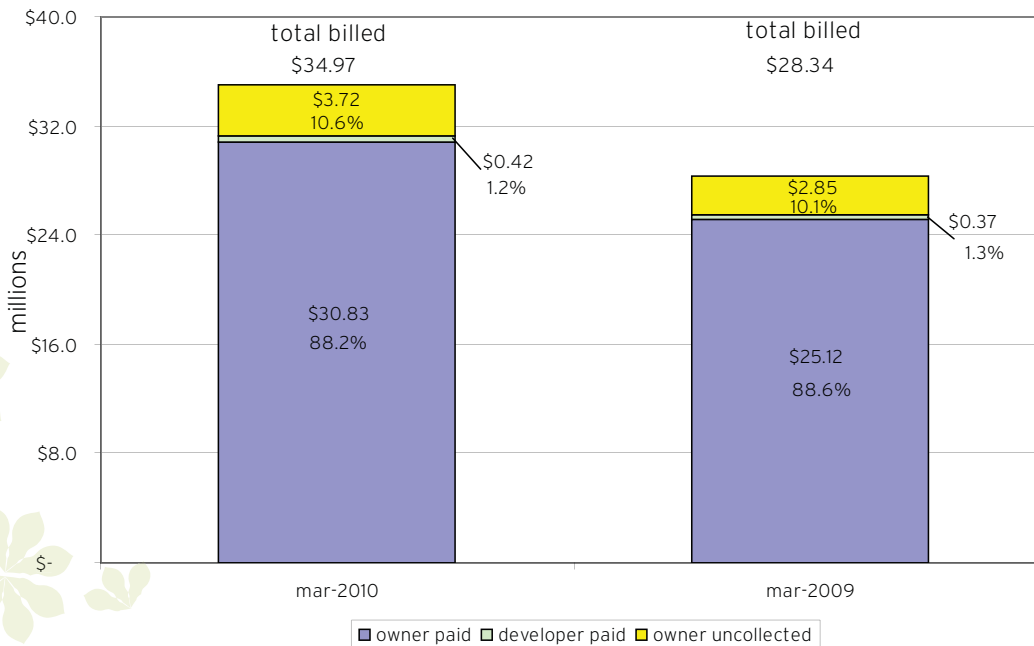
refurbishment projects

The softgoods refurbishment included the reupholstery of the dining room chairs and replacement of the sleeper sofa, living room lounge chair, coffee table, draperies, carpet and accessories. In addition, the living room armoire was replaced with a new credenza/entertainment center along with LCD flatpanel televisions throughout the unit. Outside the unit you will notice newly decorated elevator lobbies (building two only) that include upgrades to the seating and artwork.

financials

Over the past 18 months, we have all seen a change in the world as we knew it, but no one could have foreseen the magnitude of how the economy, job market, and even the resort industry would have been affected, as mentioned in the 2010 Annual Billing. This impact has unfortunately left some of our Owners unable to meet their financial obligations. To proactively assist our Owners, we have contacted the majority of these Owners to work out a solution that works best for their unique situation. However, we realize there may be cases where there might not be a viable solution for every Owner. In those cases we will do our best in assisting them to find a means of selling their ownership. There may also be cases where we must deny use of the vacation ownership interest and follow the appropriate legal guidance for making the Association whole again. Our intent is to assist our Owners as much as we can, but also to improve the Association's cash flow for 2010. The following is a snapshot of your Association's collections and notable comments regarding the collection efforts.

summary of collections as of march 31, 2010



A total of \$34.97 million was billed for 2010 assessments, which is 23.4% higher than 2009. It is still too early in the year to predict the total amount of maintenance fees that will ultimately be collected; however, the collections pace as of March 31, 2010 is slightly behind the 2009 pace (89.4% versus 89.9%). The Developer Paid amount of \$0.42M is for unsold units at time of the annual billing.

property tax update

In April 2009, the Association filed an appeal to protest the assessed values and tax amounts for the 2009/2010 tax year. On May 5, 2010, the Association's appeal of the 2009/2010 values and tax amounts was heard by the Maui County Board of Review. The Board of Review will issue its decision in the next thirty days. Since the Board of Review gives the County's arguments and valuations great weight, it is not expected that the Association will prevail at this level. Once the Board of Review formally issues its decision, the Association will appeal any negative ruling to the Tax Appeal Court for the State of Hawai'i.

The property tax assessments for the 2010/2011 tax year were received March 22, 2010, and reflect a decrease of about 19% in the total assessed value. However, the assessments reflect the same approach regarding the assessed values as was used for the 2009/2010 assessments; therefore, an appeal of these assessments was also filed. As a subsequent appeal, the Board of Directors, with recommendation from counsel, unanimously approved filing an appeal directly with the Tax Appeal Court; thereby, bypassing the Board of Review and expediting the process. Assuming there is a need to appeal the 2009/2010 assessments to the Tax Appeal Court, the Association intends to consolidate these appeals before the Tax Appeal Court.

The required tax payments have been paid under protest and the amount in dispute is frozen for use by Maui County until the appeals have been resolved. Should the Board of Review or Tax Appeal Court issue a decision resulting in a favorable tax adjustment to the Association, it is the discretion of the Association's Board of Directors to determine how these funds will be used; options include: a credit against future assessments, contribution to replacement reserve fund, or a combination of both.

We will continue to update you as we receive new information.

update from your board

We are excited to announce two new members of the Board serving on both the Apartment and Vacation Owners Associations.

Please join us in welcoming Beatrice Case and Vic Henry. Beatrice is retired, lives in California and holds graduate degrees in Family Counseling and Business. She previously worked in her private and family business and was Property Manager for over 1000 apartment units in California, Nevada, Colorado and Oregon. Vic Henry is a shareholder of the Dallas law firm of Henry Oddo Austin & Fletcher, P.C., with which he currently practices civil trial law. He received his Juris Doctor degree from Georgetown in 1983. Vic has been married to his wife Candy for 28 years and has two sons, ages 20 and 17. He enjoys traveling, fly fishing and kayaking.

The Board and Management Company would also like to express their gratitude to the former members of the Board, William Logan and Celia Kupersmith, for their many years of dedication, generosity, support and service. Thank you for your leadership and commitment.

your current board of directors

ocean resort master association

- Johnathan Ho, President*
- Gerald Bodzy, Vice President
- Teri Castleberry, Director*
- Craig McFarland, Treasurer
- Bruce McNish, Secretary*

association of apartment owners of ocean resort villas

- Mark Watford, President
- Beatrice Case, Vice President
- Johnathan Ho, Treasurer*
- Gerald Bodzy, Secretary

ocean resort villas vacation owners association

- Mark Watford, President
- Beatrice Case, Vice President
- Vic H. Henry, Director
- Johnathan Ho, Treasurer*
- Gerald Bodzy, Secretary

If you have questions regarding the information within this newsletter, please contact your board by emailing BoardRelations@starwoodvo.com.

*Associate of Starwood Vacation Ownership, Inc.

important dates (dates subject to change)

board meetings:	august 5, 2010
	october 7, 2010
annual membership meeting:	december 16, 2010

