

Dear Ocean Resort Villas Owner,

This is to inform you of the recent fiscal year budget proposal by Maui County Mayor, Alan Arakawa, to increase the property tax rate paid by timeshare owners. If passed, the new tax rate will take effect July 1, 2012. The Mayor's office insists the tax increase will be "revenue neutral"; however, the proposal represents a 7.7% increase to the timeshare tax rate - bringing the overall rate from the current \$15.00 per thousand to a proposed \$16.15. This continues the practice of taxing timeshare owners at a significantly higher tax rate than any other type of landowner.

As we did successfully last year, your Board of Directors, Management Company, and American Resort Development Association-Resort Owners Coalition (ARDA-ROC) are working to defeat or minimize this proposed increase. We will be meeting with Maui County Council members and the Mayor's office in an attempt to roll-back the proposed increase and obtain more details about the proposal. Ultimately, it will be the members of the Maui County Council who will either accept the Mayor's initial proposal or adopt a different timeshare tax rate. Once we have more information, we will provide you with further updates and details on how you may help communicate your opposition.

To receive additional updates about this matter, you may visit the ARDA-ROC website at: <http://www.ardaroc.org/roc/legislative-issues/issues.aspx?id=3464>

We invite owners either visiting on island or residing in Maui County to attend the hearing listed below to express your concerns in person.

Budget and Finance Committee Hearings

April 11 - 6:00 p.m. Lahaina Civic Center, Social Hall, 1840 Honoapiilani Hwy., Lahaina, HI (808) 270-7838

Thank you for your support on this most urgent matter.

This email was sent by SVO Management, Inc. You've received this email as a convenience in the general course of communication regarding your ownership.

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