

Dear Ocean Resort Villas Owner,

We recently informed you of the proposal by Maui County Mayor, Alan Arakawa, to increase the property tax rate paid by timeshare owners. The Mayor's proposed tax increase represented a 7.7% increase to the timeshare tax rate - bringing the overall rate from the current \$15.00 per thousand of assessed value to a proposed \$16.15.

On April 11, 2012, over 70 citizens and representatives affiliated with the timeshare industry attended the West Maui Hearing. Almost all of these attendees were there on behalf of the Ka'anapali Ocean Resort Villas, including your board members. Attendees also included employees, vendors and other supporters. Written and oral testimony was submitted opposing any tax increase in the timeshare rate.

On May 1, the Maui County Council Budget and Finance Committee voted to increase the timeshare property tax rate, but at a lower amount of 50 cents. This proposal will raise the timeshare rate from \$15.00 per thousand of assessed value to \$15.50, representing a 3.3% increase in the tax rate. A final vote on the tax rate will be held May 23, 2012, and the 50 cent increase is expected to be approved. The current year's reduction of 6% in assessed values, taxed at a rate of \$15.50, will result in an overall decrease of approximately 3%; therefore, no adverse impact to owners.

Property taxes account for approximately 16% of the annual maintenance fee. Obviously your board continues to be concerned with the very high timeshare tax rate. This matter and appropriate next steps will be discussed at an upcoming meeting of your Vacation Owners Board.

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=3568>

Thank you for your support.

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.

To ensure you receive your SVO Management, Inc. emails, please add svomanagement@svomanagementinc.com to your address book.

Please do not reply. You may email your board at Kaanapali@myassociationdirect.com.

SVO Management, Inc.
9002 San Marco Court,
Orlando, FL 32819
CID 1898