

WINTER/ SPRING 2009 NEWSLETTER

What's happening: First the weather - The month of January has been unseasonably cool this year and continued into February - great for golf and tennis except when it has rained. There were still a number of days when the sun broke out, bringing back good beach weather. The nights particularly have been cool, chilling the natives into coats but scoffed at by the snowbirds. "eh- it's winter"

Disclaimer: The Board, the management, its vendors, contractors, maid service, employees or any other person connected with the operation of KTOA cannot be liable for and are to be held harmless for any problem caused by any owner's lack of awareness, act, or failure to act, omission, misunderstanding, grievance, loss of opportunity or pleasure caused by failure to read, skimming over, skipping over or ignoring the information contained in the KTOA newsletters and House Book provided in each unit.

High air fares, the changing economy and the gloom from Washington opened **seven usage weeks in January of which several went unfilled.** One couple checked the booking site and found two open weeks a week away from the use time, they booked their flight and came over and were pleased with the opportunity.

The Board, in anticipation of the changing usage, reacted to this open time by making an exception for last minute booking. **Here is the new change:** Owners only, who are in good standing, which means their dues are paid in full, can book into open weeks that are within 30 days of their usage time, even in high time using saved week or weeks. If the owner has no weeks to use they can pay \$700.00 per week. This offer is only available for weeks that are available within 30 days of the usage date. If there is still time open within a week of the unit's usage, owners can book for part of the week with a three day minimum so they could arrive midweek. The charge for a partial week is \$125.00 per night. The charge would be in the form of dues for a temporary RTU use of a week in the KTOA unsold inventory. This option will only be available as long as unsold inventory exists. This availability also could be useful for owners already here who want to extend their time or owners who would like to arrive early to their reserved time.

Call or e-mail the KTOA office to take advantage of this program. The office will put a 24 hour hold on the time desired to allow time to arrange flight plans. At the end of the 24 hour hold the commitment to use must be made and the saved week committed or the desired open week paid for in full otherwise the hold will cancel. Remember this is for owners only who are current with their annual dues.

Cancellations that occur less than 30 days from the date of occupancy; The weeks are lost and the time cannot be saved and used at a later time.

Exchange Weeks: Weeks exchanged into the next year must be paid for when dues are due or the exchange will be cancelled.

Maid Service: A more limited maid service for multiple week usage has been put in place to reduce our labor costs. The saving is \$40.00/unit cleaned/ week.

Owner Liability issues: Owners are liable and will be billed for damage, loss, or excess mess requiring abnormal cleaning for units occupied by themselves, their guests or exchange occupants. Smoking \$250.00 minimum charge for remediation.

The Board members on Maui in January/February have had three open houses for owners present and had an opportunity to discuss KTOA and answer owner's questions and concerns. The owner's complimented the board on all the new improvements and especially the new tile and mattresses. Some expressed concern for the four week limitation. It affects only 2.9% of the owners owning 54 weeks out of the total of 561 weeks available.

While the Board has been here, there have been many things done on your behalf to maintain and protect your quality destination.

There have been meetings with our management, reviews of all accounts, inspection of all units, plans formed to schedule necessary maintenance and repairs, develop formats for future appliance, furniture and electronic replacements, change our banking and reserve account location so our operating and reserve fund accounts have more safety, sign the documents approved last Fall so they could be recorded. Also, we have had ongoing work with the title company and owners to further clean up the old records so there is a more complete record of all the 572 weeks within our eleven units including the eleven weeks reserved for maintenance. We inspected the storage unit and the protocols for items stored and removed from there. We have worked with management to complete a contract with our maid service and we have updated our management agreement annual review.

The Board members also attended the annual meeting of the entire Kihei Akahi complex which was held on January 17. At that meeting our reluctant President Don Swatman was asked to run again for another three year term on the KA Board. He was nominated from the floor, nominations were closed and he was appointed by acclamation. Lynn Poncin was the outgoing President, so KTOA has had an influence and a presence on the KA Board now in its fifth year. Working together there has been a positive impact on all the KA owners as well as a benefit for KTOA owners. Together they have been able to help stimulate and influence many functional upgrades to our buildings and grounds. Two recent examples are the new lower pool and decking rehab and the installation of generator backup to the batteries that keep lights in the stairwells during occasional long outages of the electricity.

While here we had a recent **high surf wakeup call** when one of our owners turned for a moment to help his family get safely ashore and was hit by a second monster wave, slammed to the bottom and knocked unconscious. He spent a couple of days in the hospital and has temporarily lost the strength and full use of both arms. He is fortunate to have been rescued so quickly and is recovering. He managed to come to one of the open houses with a big abrasion and bump on his head as an example to never take your eyes off the waves. It happened at our beach in front of our complex. We've had several high surf days.

About the foreclosure weeks: The weeks returned to KTOA have finally been sorted out by the title company. In addition, we have acquired two weeks from longtime members now unable to travel to Maui who have quitclaimed their weeks to us in lieu of paying this years dues.

Our treasurer reported that there is still about \$35,000 over ninety days past due in dues and assessments as of 3/05/09 and subject to late fees, interest and a block on KTOA privileges. Owners who are delinquent in paying their annual dues cannot book time or use already booked weeks which will be removed from the booking calendar, nor will they be able to carry forward time that may expire during the time they are delinquent. KTOA counts on every owner paying their annual dues and assessment in a timely manner to balance our budget.

About e-mail: Here we go again! It is a huge cost saver for our budget if we can quit sending information to our owners by **U. S. mail**. KTOA knows there are a few owners who cannot use e-mail nor do they have anyone they know who could receive e-mail for them. Of course, we will continue to help those few. However, that number is very small. For everyone else, **please keep KTOA current as you change your e-mail address.** If an e-mail is undeliverable it necessitates a phone call or letter, both of which cost time and your money.

KTOA records of your deeds or RTU purchase agreement: Part of the process of keeping all of our owner records up to date requires one step further for a few of our owners. You will be receiving an e-mail or call **if you have not sent the front page of your deed or RTU agreement to KTOA.** Doing this is a necessary final step when buying a unit week. Often the deed takes time to get to you and before filing it away in a safe place, copy the front page that shows the grantor and the grantee, the date of the recordation, the unit numbers and the week numbers. Then fax this information to KTOA at (808) 875-4616. KTOA files have to have this written material in the record books so we can guarantee your specific information to the title companies when they call or when we are reviewing the records for any other reason. It costs a bunch for us to get duplicate records so here is another way we can save money!

About buying, selling your weeks or looking for weeks to use: Attached to this newsletter is a new section for Classified Ads for those interested in trading the above information among the owners of KTOA. The information can be short and simple because we all know about the units. For example, in the units for sale section list: number of weeks available, any saved weeks, 1 or 2 bedroom, your contact name, telephone and/or e-mail address. The asking price listing is desirable but is optional. Send the information to KTOA.mauai@gmail.com and it will be sent in the next news burst via e-mail to our members. Your ad is free but will not renew unless you request it. This replaces the website listing we used to use and which has been a problem for any broker selling our units. KTOA is working on other options and avenues to reduce your closing costs, since our past sources have either retired or sold their businesses.

Current market conditions on Maui: Maui is just like the rest of the world. Some restaurants have closed, most have reported significant drops in business, golf and tennis sites have fewer players, Real Estate brokerages have reduced activity or have closed shop. KTOA has seen significant

reductions in late spring and summer bookings so far, but on the bright side airfare has come down and condo unit prices in D building have come down only about 20%. There are more people complaining about Maui's property taxes, but don't expect that to make a significant reduction in timeshare taxes, because we do not vote for the rule makers.

Our owners still have a higher book value per week than what our unit weeks are currently selling for. Condos in our D Building are selling for \$400,000 - and some even higher. If you divide \$400,000 by 52 weeks, the apparent current book value is \$7,700 per week. Based on demand, brokers are saying timeshare weeks at KTOA are estimated to sell in the \$5,000 range - \$2700.00 for each week below the aggregate current condo selling price. However, brokers have not seen our units since the tiling has been completed. This should have a positive impact on the selling price. It's a good time to hold! And a good time to buy!

Other interesting tidbits:

Termite fly- ins: A common pest in tropical areas is the termite. When termites fly in and find a nice place to get together, they set up housekeeping and survive on the wood material in their new location. It happens with cabinets and furniture here when the screens are left open. If you find evidence of what looks like a little sand, let management know. Obviously, everyone rinses off before coming back from the beach so it's not sand! The location of damage can be treated to interrupt the activity. The sooner we find out the better

Other insects: A routine preventive treatment for other insect pests is performed regularly by trained professionals. They place a notice the day before they will be coming into each unit to do a residual spray. It is odorless and safe and they are bonded.

If you notice things needing maintenance: Make a list and give it to management or e-mail it to them at KTOA.maui@gmail.com. It is more economical if KTOA can group maintenance issues to save service trips.

Maui is still a beautiful place and KTOA looks forward to seeing you soon.
Mahalo,

Don Swatman, President, KTOA

