

August 13, 2018

RE: Notice of Annual Meeting
Association of Apartment Owners of Marriott's Kauai Resort and Beach Club (the "AOAO")

Dear Marriott's Kauai Beach Club Owner:

The 2018 Annual Meeting of Association of Apartment Owners of Marriott's Kauai Resort and Beach Club will be held at 10:00 a.m., Hawaii Standard Time, on October 11, 2018, at the Kaua'i Marriott Resort & Beach Club (see Reader Board for exact meeting room location), 3610 Rice Street, Lihue, Hawaii 96766.

The purpose of the Annual Meeting is to review the operations of the AOAO, conduct any other business which may be presented at the Annual Meeting, and to consider the following:

- Election of one (1) member to the AOAO Board of Directors to serve a three-year term

The following Annual Meeting materials are included for your review:

- **Agenda**
- **Proposal** to be considered
- **Candidate Profiles** of the candidates for election to the Board of Directors
- **Limited Proxy Submission Method**
- **Limited Proxy**

If you are unable to attend in person, please submit your Limited Proxy by marking, signing, and dating your Limited Proxy and returning it in the prepaid envelope to: Proxy Services Corporation, P.O. Box 9001, Brentwood, New York 11717-9804 by October 5, 2018.

In connection with updating your AOAO records, a **Certificate of Voting** form is included. If your interest is owned by an entity (e.g., partnership, corporation, trust, limited liability company), please designate one (1) voting member by entering his/her name on the enclosed form, sign, date and return it with your Limited Proxy in the business return envelope provided. **If you previously completed and returned a Certificate of Voting form, you do not need to complete the form again unless you wish to designate a new voting member.**

If you have questions regarding the Annual Meeting, please contact Paul Toner, General Manager, by email at paul.toner@marriotthotels.com or by phone at 808-246-5010 or Sherri Holcomb, Resort Manger, by email at sherri.holcomb@vacationclub.com or by phone at 808 632-8035.

Whether or not you plan to attend the Annual Meeting, I encourage you to submit your Limited Proxy promptly. If the quorum requirement is not met, the AOAO will incur additional expenses to re-notice Owners in order to obtain the votes required to hold the Annual Meeting. Your vote and participation are important to the AOAO.

Sincerely,

Jan Yokota

Secretary/Treasurer

Association of Apartment Owners of Marriott's Kauai Resort and Beach Club

**Association of Apartment Owners of Marriott's Kauai Resort and Beach Club (AOAO)
2018 Annual Meeting**

October 11, 2018 at 10:00 a.m., Hawaii Time

Kaua'i Marriott Resort & Beach Club
(See Reader Board for Exact Meeting Room Location)
3610 Rice Street
Lihue, Hawaii 96766

Agenda

- Call to Order
- Roll Call; Establishment of Quorum
- Appointment of Recording Secretary
- Proof of Notice of Annual Meeting
- Approval of Agenda
- Approval of 2017 Annual Meeting Minutes
- Appointment of Inspector of Election
 - Nominations from Floor
 - Tabulation of Votes
- Board of Directors Report
- Resort Operations Report
- Financial Report
- Voting Results
 - Election of One (1) Member to the Board
- New Business
 - Announcement of 2019 Annual Meeting Date
- Adjournment

**Association of Apartment Owners of Marriott's Kauai Resort and Beach Club (AOAO)
2018 Annual Meeting**

Proposal

1. Election of One (1) Member to the Board of Directors (Item 2.A. on your Limited Proxy)

One (1) member will be elected to serve a three-year term on the Board of Directors. Cumulative voting applies, examples of which are set forth below. For Owners of Commercial Apartments or Hotel Room Apartments, you are entitled to cast the number of votes equal to the number of Directors to be elected multiplied by the number of votes attributable to your Apartment. For Owners of timeshare interests, for each every year week that you own you are entitled to cast the number of votes equal to the number of Directors to be elected multiplied by the number of votes attributable to your Apartment, divided by 52, and for each every other year week that you own, you are entitled to cast the number of votes equal to the number of Directors to be elected multiplied by the number of votes attributable to your Apartment, divided by 104. You may vote in any whole number increment you desire. See the Candidate Profiles for a summary of the candidates.

COMMERCIAL APARTMENT EXAMPLE: Mr. Jones is the Owner of a Commercial Apartment having 250 votes and for cumulative voting purposes, is therefore entitled to two hundred fifty (250) votes (number of Board Members to be elected [1] multiplied by number of votes attributable to his Commercial Apartment [250]). He may cast his votes in any whole number increment he desires. He may, for example, choose to split his votes between two different candidates by completing the Limited Proxy as shown below: One hundred fifty (150) votes for Candidate A (he writes in "150" in the # votes space next to Candidate A), one hundred (100) votes for Candidate B (he writes in "100" in the # votes space next to Candidate B), zero (0) votes for Candidate C (he writes in "0" in the # votes space next to Candidate C), and zero (0) votes for Candidate D (he writes in "0" in the # votes space next to Candidate D).

Total Votes 250	Candidate A	# Votes	<u>150</u>
	Candidate B	# Votes	<u>100</u>
	Candidate C	# Votes	<u>0</u>
	Candidate D	# Votes	<u>0</u>

HOTEL ROOM APARTMENT EXAMPLE: Mr. Jones is the Owner of a Hotel Room Apartment having 50 votes and for cumulative voting purposes, is therefore entitled to fifty (50) votes (number of Board Members to be elected [1] multiplied by number of votes attributable to his Hotel Room Apartment [50]). He may cast his votes in any whole number increment he desires. He may, for example, choose to split his votes between two different candidates by completing the Limited Proxy as shown below: Thirty five (35) votes for Candidate A (he writes in "35" in the # votes space next to Candidate A), fifteen (15) votes for Candidate B (he writes in "15" in the # votes space next to Candidate B), zero (0) votes for Candidate C (he writes in "0" in the # votes space next to Candidate C), and zero (0) votes for Candidate D (he writes in "0" in the # votes space next to Candidate D).

Total Votes 50	Candidate A	# Votes	<u>35</u>
	Candidate B	# Votes	<u>15</u>
	Candidate C	# Votes	<u>0</u>
	Candidate D	# Votes	<u>0</u>

**Association of Apartment Owners of Marriott's Kauai Resort and Beach Club (AOAO)
2018 Annual Meeting**

Proposal

(continued)

TIMESHARE APARTMENT EXAMPLE: Mr. Jones is the Owner of one (1) two bedroom every year week and is therefore entitled to three (3) votes (number of Board Members to be elected [1] multiplied by number of votes attributable to his Apartment [156] divided by 52). He may cast his votes in any whole number increment he desires. He may, for example, choose to split his votes between two different candidates by voting as shown below: Two (2) votes for Candidate A (he writes in "2" in the # votes space next to Candidate A), one (1) vote for Candidate B (he writes in "1" in the # votes space next to Candidate B), zero (0) votes for Candidate C (he writes in "0" in the # votes space next to Candidate C), and zero (0) votes for Candidate D (he writes in "0" in the # votes space next to Candidate D).

Total Votes 3	Candidate A	# Votes	_2
	Candidate B	# Votes	_1
	Candidate C	# Votes	_0
	Candidate D	# Votes	_0

NOTE: THE BOX ON YOUR LIMITED PROXY THAT IS LABELED "TOTAL VOTES" WILL INDICATE THE TOTAL NUMBER OF VOTES YOU MAY CAST.

**Association of Apartment Owners of Marriott's Kauai Beach Resort and Beach Club
2018 Annual Meeting**

Candidate Profiles

Candidates listed in alphabetical order

Name: Charles Baron
Home: Newport Coast, California
Occupation: MCVI West Region Vice President, Asset Manager
Comments: "I have served on several Marriott Vacation Club and Ritz-Carlton Club Condominium Association boards over the past ten years and hope to have an opportunity to leverage that experience to support the owners of this resort as a member of its Board of Directors. I am confident my 22 years of experience in hospitality, corporate finance, and management consulting will prove an asset to the Association. My background includes twelve years of Asset Management working with Marriott Vacation Club and Ritz-Carlton resorts in Hawaii, the Western and Eastern United States, and the Caribbean. Over the years, I have worked closely with all areas of Marriott Vacation's business and have a breadth of experience to draw from. Prior experience also includes ten years of Business Planning, Investment Banking and Management Consulting experience, all with a concentration on identifying business solutions that deliver bottom line results."

Name: Terri Johnson
Home: Eugene, Oregon
Occupation: Retired, Finance Director
Comments: "Kauai Beach Club is a wonderful property and I would be honored to serve on the Board of Directors. I have experience serving on a homeowners association board as president and treasurer, and have firsthand knowledge of the importance of ensuring resort operations meet owner expectations and that Kauai Beach Club remains financially secure. I have also been on the LEARN Foundation board of directors (for underprivileged youth) and Committee member for Food for Lane County's annual fundraiser the last 10 years. Recently retired, formerly the finance director for a local school in District 4J, Eugene, OR for over 20 years, my husband and I look forward to traveling as we own three other Marriott timeshare weeks and are interested in continuing the high quality of service and maintenance here at Kauai Beach Club."

Name: Chris Tatum
Home: Honolulu, Hawaii
Occupation: Area General Manager, Marriott Resort Hawai'i & General Manager, Waikiki Beach Marriott Resort & Spa
Comments: "I currently have a dual role as Area General Manager for Marriott International responsible for their portfolio of resort hotels in Hawai'i and General Manager of the Waikiki Beach Marriott Resort & Spa. I have been a past chairman of the Hawai'i Lodging & Tourism Association and Visitor Industry Charity Walk; served on the board of the Hawaii Visitors and Convention Bureau; was chairman of the Oahu Visitors Bureau; and was a member of the 2011 APEC Hawaii Host Committee. Most importantly I know the challenges and responsibilities that come with being a homeowner. I would be honored to serve as a Board of Director; will ensure that bylaws set forth by the Association of Apartment Owners of Marriott's Kauai Resort and Beach Club are upheld; and will protect the interests of the owners."

Limited Proxy Submission Method

The accompanying Notice of Annual Meeting describes important issues affecting the Association. To vote:

- a. Mark your selections on the enclosed Limited Proxy.
- b. Date and sign your name exactly as it appears on your Limited Proxy.
- c. If you will not be able to attend the Annual Meeting, please appoint a proxy holder to vote on your behalf. You may appoint the designated proxy holder named on your Limited Proxy, or you may write in the name of another person that you wish to act as your proxy holder. The person you designate must be in attendance at the Annual Meeting.
- d. Mail the Limited Proxy in the enclosed postage-paid envelope.

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LIMITED PROXY

**Association of Apartment Owners of
Marriott's Kauai Resort and Beach Club
2018 Limited Proxy**

Date Signed: _____

Unit Number: _____

Voting Member Signature

(X): _____

Printed Name: _____

Voting Member Signature

(X): _____

Printed Name: _____

LEGAL NAME:

NOTE: FOR THIS PROXY TO BE VALID, THE PROXY GIVER MUST PROVIDE THE DATE THAT THE PROXY IS GIVEN, HIS OR HER PRINTED NAME, HIS OR HER SIGNATURE, UNIT NUMBER(S) FOR WHICH THE PROXY IS GIVEN AND THE PRINTED NAME OF THE PERSON OR ENTITY TO WHOM THE PROXY IS GIVEN. PLEASE SIGN AND RETURN THIS LIMITED PROXY BY 4:30 P.M., HAWAII STANDARD TIME, ON OCTOBER 5, 2018, TO THE SECRETARY OF THE ASSOCIATION OR THE MANAGING AGENT. PLEASE NOTE, HOWEVER, THAT VOTES WILL BE COUNTED IF CAST IN PERSON AT THE MEETING ON OCTOBER 11, 2018.

1. The above signed, as member(s) of **Association of Apartment Owners of Marriott's Kauai Resort and Beach Club** (the "Association"), do hereby appoint [**Indicate only one choice by filling in the circle at one of (a), (b), (c), (d) or (e). If your choice is (b), please also print the name of the person appointed.**]:
- (a) **Arthur Gillespie**, President of the Association, or any other officer or director of the Association in attendance he so designates in his absence; **OR**
 - (b) _____ (Insert name of individual, who **MUST** be in attendance at the Annual Meeting in order for your vote(s) to be counted); **OR**
 - (c) No one; this proxy is provided for quorum purposes only [**Please note that if you select this option (c) your vote will be counted for quorum purposes only and shall not be counted towards any action to be taken at the meeting**]; **OR**
 - (d) The Board of Directors of the Association as a whole, to be voted on the basis of the preference of a majority of the directors present at the meeting; **OR**
 - (e) The members of the Board of Directors present at the meeting, with the vote to be shared with each Board member receiving an equal percentage,

as my true and lawful attorney-in-fact and proxy holder, hereby revoking all previous proxies, to vote in my place and stead on my behalf, and in accordance with my wishes as indicated herein, as though I myself were present and voting, with power of substitution, at the **Annual Meeting of Association of Apartment Owners of Marriott's**

Kauai Resort and Beach Club, to be held at 10:00 a.m., Hawaii Standard Time, on October 11, 2018, at the Kaua'i Marriott Resort & Beach Club (see Reader Board for exact meeting room location), 3610 Rice Street, Lihue, Hawaii 96766, except that my proxy holder's authority is limited as indicated below.

2. **AGENDA ITEM. (FOR YOUR VOTE TO BE COUNTED ON THE FOLLOWING ISSUE, YOU MUST WRITE IN NUMBERS ON THE LINES PROVIDED BELOW. IF YOU LEAVE ANY ITEM IN THIS SECTION BLANK, YOUR PROXY HOLDER WILL NOT CAST A VOTE ON SUCH ITEM.)**

A. Election of one (1) member to the Association's Board of Directors to serve a three-year term. Please see the Candidate Profiles for a summary of the candidates. Cumulative voting applies and shall take place at the meeting. By indicating the number of votes for the specified candidates below, the above signed hereby gives notice that he/she/it intends to cumulatively vote for members of the Association's Board of Directors. Please see Proposal for voting instructions.

Total Votes

Charles Baron	# of votes	_____
Terri Johnson	# of votes	_____
Chris Tatum	# of votes	_____

3. **GENERAL POWERS (NON-AGENDA ITEMS).** You may choose to grant your proxy holder general powers. Please fill in the appropriate circle below if you want (or do not want) your proxy holder to vote on other issues that may come up at the meeting and for which a limited proxy is not required. **(PLEASE NOTE THAT IF YOU DO NOT MARK ANY CIRCLE IN THIS SECTION 3, YOUR PROXY HOLDER WILL NOT CAST ANY VOTE FOR YOU ON OTHER ISSUES THAT MAY COME UP AT THE MEETING.)**

- I authorize and instruct my proxy holder to use his or her best judgment on all matters which properly come before the meeting and for which a general power may be used.
- I do **NOT** authorize my proxy holder to vote on any other matters (non-agenda items) which properly come before the meeting.

4. By filling in the circle below, the above signed owner(s) hereby requests from the Board of Directors a copy of the annual audit report of the Association required under Hawaii Revised Statutes § 514B-150.

- Please send me a copy of the annual audit report of the Association

THIS LIMITED PROXY IS REVOCABLE BY THE OWNER, ONLY BY ACTUAL NOTICE OF REVOCATION TO THE SECRETARY OF THE ASSOCIATION OR THE MANAGING AGENT, AND IS VALID ONLY FOR THE MEETING FOR WHICH IT IS GIVEN AND ANY LAWFUL ADJOURNMENT THEREOF. IN NO EVENT IS THIS LIMITED PROXY VALID FOR MORE THAN 11 MONTHS FROM THE DATE OF THIS LIMITED PROXY.

Please sign and return your Limited Proxy no later than 4:30 p.m., Hawaii Standard Time, on October 5, 2018. Please note, however, that votes will be counted if cast in person at the Annual Meeting on October 11, 2018.

Owner ID/Villa/Week:

CERTIFICATE OF VOTING MEMBER - ENTITY

[This Certificate of Voting Member (Entity) form should only be used for Interests owned by entities (e.g. partnerships, corporations, trusts, limited liability companies)].

The undersigned, being the owner (the "Owner"), of ownership interest(s) in the program or property known as Kaua'i Marriott Resort & Beach Club, which is managed and administered by **Association of Apartment Owners of Marriott's Kauai Resort and Beach Club** (the "Association"), hereby designates the below-listed individual as the "Voting Member" to cast the vote, on Owner's behalf, until this Certificate of Voting Member is revoked or suspended by written instrument executed by Owner.

Owner hereby acknowledges and agrees that the execution and delivery of this Certificate of Voting Member shall automatically revoke, and shall entirely replace and supersede, any voting certificate(s) executed by Owner for the Association prior to the date set forth below.

By the execution of this Certificate of Voting Member in the space provided below, the individual signing this Certificate of Voting Member, on behalf of Owner, represents that he/she is authorized to sign this Certificate of Voting Member on behalf of the Owner.

VOTING MEMBER

(type or print one (1) name)

ENTITY OWNER LEGAL NAME:

Signed By: _____

Printed Name: _____

As its (choose one):

President Vice President General Partner Other _____

Date: _____

ATTEST:

(Attest not required if entity is a Trust)

Signed By: _____

Printed Name: _____

As its (choose one):

Secretary Assistant Secretary