

Dear Fellow Sands of Kahana Vacation Club Owners:

January 2005

We are timeshare owners at the Sands of Kahana just like you. Our ownership makes us members of the Sands of Kahana Vacation Club (SOK VC). The daily business of the SOK is conducted by Consolidated Resorts under the authority of an elected five member Board of Directors.

We realize what a wonderful, relaxing opportunity we have at the Sands. We also recognize that our timeshare weeks are a valuable financial asset requiring oversight of **our** representatives not a management company's. Because of this a few of us have formed an informal committee.

The committee's goals are:

1. Since we understand the resort is about 90% sold out we should elect members to the Board of Directors of the SOK VC who are timeshare owners rather than representatives of Consolidated Resorts.
2. With representation on the Board, we should review the costs of running SOK VC, which we feel may be excessive, and other decisions regarding the club operations. A reduction in costs should produce savings for all timeshare owners and may even increase the value of your investment.

We want to be able to communicate **directly** with you. Since Consolidated Resorts has refused our request for a list of all owners, we have established a website (www.sandsofkahana.net). This website offers information about the Sands of Kahana and our activities as we work toward the goals stated previously. We ask you to let us know how to contact you to keep you informed about the SOK VC.

Please send us your contact information: Name, Mailing Address, Phone Numbers, e-mail address, and the number of weeks that you own at the Sands of Kahana. Also, if you have named **Carol Nelson** as your **proxy holder**, please advise us. (see Proxy, next page) Send your info to cupidsknoll@msn.com. If you prefer to mail the information, please send it to Charlie Johnson at the address listed below.

We will be asking members if they would be willing to assist us in different facets of operation of the club. Please let us know of your strengths and interests when you respond. We have a slate of two candidates, who share our concerns, who are well informed and who would represent the timeshare owner's position 100%. The Annual Board Meeting will be March 1 at the Ritz-Carleton, Kapalua. We have asked them at least twice to have the meeting at the Sands for a better turnout, but they have refused.

Our **two candidates** are: **JIM CAHILL**, has owned since 1996 and has 4 weeks

CAROL NELSON, has owned since 1996 and has 4 weeks

There are 3 positions open on the Board this year. You can **split your votes between Jim and Carol** or you, also, could vote for a third person. Hopefully you will choose another timeshare owner. There are some terms that we would like to explain to you before you vote. They are: **Quorum, Cumulative Voting, Proxy.** .

QUORUM -- in order for our votes to mean anything, we must have a quorum. As stated in our bylaws a quorum for voting on board members is 10%. Every vote is important and counts. The current board can put on whomever they choose if there is no quorum.

PLEASE VOTE !!!!!!!!!!!

CUMULATIVE VOTING -- When you receive your ballot, which should be sometime in January, **be sure to vote**. Remember also, that we have cumulative voting. If you own one week and there are three positions open, you have three (3) votes. You can give one person all 3 votes or you can give one vote to 3 people, or two(2) votes to one person and one(1) vote to another. You own 3 weeks, 3 positions open, you have 9 votes: you could give all 9 votes to one person, 5 votes and 4 votes to two people, and 3 votes each to 3 persons.

PROXY – Allows the person who holds your proxy to vote on matters during the Board Meeting. If you are not going to attend the meeting, you should select someone to vote for you by assigning your proxy to him/her. Otherwise, the proxy defaults to the Sands of Kahana Vacation Club Board and you have no say in any matters that are brought to vote. We are asking you to, **please, assign your proxy to Carol Nelson** and she will be able to vote your vote on matters brought up in the Annual Board meeting. Please print her name at the top of the ballot where it says "The undersigned does hereby constitute and appoint the SANDS OF KAHANA VACATION CLUB or the following person". Carol is the following person. On the blank line **print** her name. (not valid unless printed)

Thank you and we hope to see you in Hawai'i . Aloha!

COMMITTEE MEMBERS:

Jim Cahill, 12149 W. Forest View Drive, Orland Park, IL 60467/ 708-301-1329/ jmcahill@aol.com , owner since 1994 and has 4 weeks.

Ron Daugherty, 543 Kennedy Dr. , Mansfield , OH 44904 / 419-774-0356/ newcampkid@earthlink.net , owner since 1997 and has 2 weeks.

Charlie Johnson, 11433 Buttemer Rd. , Phelan , CA 92371 / 760-868-2080/ charlie@cnjohnson.com , owner since 1998 and has 2 weeks.

Carol Nelson, 990 Cupids Knoll, Monmouth , OR 97361 / 503-838-1695/ cupidsknoll@msn.com , owner since 1996 and has 4 weeks.

Milt Pickman, 7 Lagoon Court , San Rafael , CA 94903 / 415-479-0204/ popmilt@sbcglobal.net , owner since 2001 and has 2 weeks

Richard Rodriguez, President
Consolidated Resorts Management
801 South Rampart Blvd. Suite 160
Las Vegas NV 89145-4898

Dear Richard:

Here is the letter that our committee has prepared to send to the entire membership of **SOKVC** for **vote solicitation**. I am sure you will agree that this letter represents concerns from a large group of people that want to relate with the rest of the membership. Richard you told me, when Mike Sullivan and I were sitting in your office and asked you for the membership list so we could do this very thing that the only way we could use the membership list was to have you send the letter for us.

You also said at an annual meeting, when asked about that very thing, you gave the same reply.

When I spoke to you about 3 weeks ago about sending the letter,, you told me that it would have to have board approval and that if it had the lies in it that our website did, you would guarantee me that the board would not allow it to be sent.

First of all, there are no lies in the website www.sandsofkahana.net. Secondly, it was only this past three weeks that you put in another stipulation about board approval. This is not fair. After reading this letter you cannot say that there are any lies. You have to say this is an appeal to the membership to vote for people who have a different mindset than you have. If the membership agrees with us then they will vote for our candidates. We have every right to send this letter

We are willing to pay the postage. We will prepare the letter and have it ready for labels and postage.

If you do not agree to this, we have no choice but to call for a recall of the board. The Vacation Club will then have to pay for all the correspondence that involves that process.

Sincerely,

Carol L. Nelson, Representative
Sands of Kahana Owners Committee

January 4, 2005

Michael Kaplan, President
Consolidated Resorts Inc.
801 South Rampart Blvd. Suite 200
Las Vegas NV 89145-4898

Dear Michael Kaplan

Here is the letter that our committee has prepared to send to the entire membership of **SOKVC** for **vote solicitation**. I am sure you will agree that this letter represents concerns from a large group of people that want to relate with the rest of the membership. Not quite two years ago Mike Sullivan and I sat in Richard Rodriguez's office and asked him for the membership list so that we may solicit votes for timeshare owners running for the board. He said that the only way we could use the membership list was to have him send the letter for us.

He also said at an annual meeting, when asked that very thing, he gave the same reply.

When I spoke to him about 3 weeks ago about sending the letter,, he told me that it would have to have board approval and that if it had the lies in it that our website did, he would guarantee me that the board would not allow it to be sent.

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Carol L. Nelson, Representative
Sands of Kahana Owners Committee

