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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

In re Association of Apartment Owners of Kauai Beach Villas, Debtor and Debtor in possession	Case No. 25-01103 (Chapter 11) (Subchapter V) Date: To be set Time: To be set Judge: Hon. Robert J. Faris

EXPEDITED MOTION FOR ENTRY OF AN ORDER: (A) APPROVING THE FORM AND MANNER OF NOTICE OF THE COMMENCEMENT OF THIS CHAPTER 11 CASE, (B) APPROVING FORM OF STIPULATION AND CONSENT AGREEMENT AUTHORIZING MARKETING AND SALE OF OWNERSHIP INTEREST(S) BY DEBTOR PURSUANT TO 11 U.S.C. § 363(h), (C) ESTABLISHING SCOPE OF NOTICE, AND (D) APPROVING SERVICE OF

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U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 1 of 15

FORMS AND TABULATION OF RESPONSES BY STRETTO

The ASSOCIATION OF APARTMENT OWNERS OF KAUAI BEACH VILLAS, debtor and debtor in possession herein ("Debtor" or "Association") files this *Expedited Motion for Entry of an Order: (A) Approving the Form and Manner of Notice of the Commencement of this Chapter 11 Case, (B) Approving Form of Stipulation and Consent Agreement Authorizing Marketing and Sale of Ownership Interest(s) by Debtor Pursuant to 11 U.S.C. § 363(h), (C) Establishing Scope of Notice, and (D) Approving Service of Forms and Tabulation of Responses by STRETTO* (the "Motion").

The Motion requests the entry of an order, substantially in the form attached hereto as **Exhibit D**, (i) setting bar dates for the filing of Proofs of Claim (as defined below) and (ii) approving the form and manner of service of (a) the Notice of Chapter 11 Bankruptcy Case, (b) the Proof of Claim, and (c) the Member Consent (as defined below) to the sale of property interests. In support of this Motion, Debtor relies upon the *Declaration of Larry Warner in Support of Debtor's Chapter 11 Petition and First Day Relief* (the "First Day Declaration"),[1] which is filed contemporaneously herewith, and respectfully represents the following:

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 2 of 15

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are sections 105(a) and 502(c) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2002(a)(7), 3003(c)(3), 3018(a), 6003 and 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 9013-1(c) of the Local Rules of the United States Bankruptcy Court for the District of Hawaii.

BACKGROUND

4. On December 5, 2025 (the "Petition Date"), Debtor filed a voluntary petition for relief pursuant to Subchapter V of title 11 of the United States Code (the "Chapter 11 Case").

5. Debtor is a not-for-profit corporation organized under the laws of the State of Hawaii pursuant to a Certificate of Incorporation filed with the Secretary of State of Hawaii, Department of Commerce and Consumer Affairs, on April 15, 2025.

6. Pursuant to the Debtor's by-laws (the "By-Laws"), the Debtor was organized and exists to manage, maintain, acquire, construct, and care for the resort known as Kauai Beach Villas (the "Project"). The Debtor is governed by a Board of

Directors (the "Board"). The members of the Board are currently Larry D. Warner, President; Linda Kolstad, Vice President; George Keeney, Treasurer; Jim DeRose, Secretary; and Kevin Garner.

7. The Project is located at 4330 Kauai Beach Drive, Lihue, Kauai, Hawaii. The Project consists of 8 separate three-story buildings, designated as buildings "A" - "H" containing a total of 150 Apartments. Each building consists of multiple one- and two-bedroom apartments. The Project also consists of 2 administrative buildings, a pool and a pool-use building. The complex was constructed in the 1980s.

8. The Project operates as a timeshare resort. All of the Project is governed by the Association, including all Apartments. However, 105 of the 150 Apartments are utilized as timeshares. The PAHIO at Kauai Beach Villas Interval Owners Association (the "IOA" or "Interval Association") is responsible for the management of the timeshare plan.

9. The By-Laws provide that the owners of the condominium units are the members of the Association (the "Association Members"). All members of the Interval Association are also members of the Association.

10. The Debtor owns two (2) every other year intervals at the Project and a concomitant share of the common elements at the Project (the "Association Interest"), which comprises approximately .0159% of the total ownership interest at

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 4 of 15

the Project. The Association owns the Association Interest as a tenant-in-common with all other interval owners.

11. PAHIO, Pahio at Kauai Beach Villas Interval Owners Association, and PTVO Owners Association, Inc. ("PTVO") own a combined 30.26% of the Project. The Association owns approximately .0159% of the Project, on account of the Association Interest. The remaining ownership interests in the Project (approximately 69.69% of the total) are owned by approximately 6,893 parties to corresponding contracts ("Interval Owners"), which each interval having its own separate corresponding contract and 45 Association Members that own an Apartment (collectively, "Whole Unit Owners"). Interval Owners and Whole Unit Owners are members of the Association and are collectively referred to herein as "Owners" or "Members."

12. The Debtor historically retained Pahio Resorts, Inc. ("PRI" or "Project Manager") to provide certain services as manager of the property, including but not limited to maintaining the Debtor's books and records; conducting business correspondence; maintaining a master list of owners of the Debtor; maintaining the Project and repairing individual units; contracting with vendors and service providers; hiring accountants, attorneys, and other professional services; managing the Debtor's finances; and obtaining and maintaining all necessary insurance

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 5 of 15

coverage. The Project Manager and the Debtor are in negotiations to enter into a new management agreement on a post-petition basis.

13. Debtor is operating its business and managing its affairs as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

14. For a detailed description of Debtor and its operations, Debtor respectfully refers the Court and parties in interest to the First Day Declaration.

RELIEF REQUESTED AND AUTHORITY FOR RELIEF

15. Debtor respectfully requests entry of an order approving: (i) the form of the Notice of Chapter 11 Bankruptcy Case attached hereto as **Exhibit A** (the "Notice of Case"), and the bar dates as set forth therein, (ii) the form of the Proof of Claim attached hereto as **Exhibit B** (the "Proof of Claim"), and (iii) the Stipulation and Consent Agreement Authorizing Marketing and Sale of Ownership Interest(s) by Debtor Pursuant to 11 U.S.C. § 363(h) substantially in the form attached hereto as **Exhibit C** (the "Member Consent") (the Notice of Case, Proof of Claim, and Member Consent are hereinafter collectively referred to as the "Forms"). Additionally, contemporaneous with the filing of this Motion, Debtor filed *Debtor's Emergency Application for Entry of Order Authorizing Debtor to Employ and Retain STRETTO as Notice, Claims and Solicitation Agent Effective as of the Petition Date* (the "STRETTO Engagement Motion"). Consistent with the STRETTO Engagement Motion, Debtor seeks authorization for Debtor to serve the Forms and

tabulate any responses thereto. Debtor, through its counsel, has consulted with the Office of the United States Trustee regarding this Motion and the relief sought by Debtor herein.

A. Service of the Notice of Case

16. Debtor seeks to ensure that all interested parties receive appropriate notice of commencement of this Chapter 11 Case and the applicable bar dates for the filing of proofs of claim (the "Bar Dates"). The Debtor seeks to establish a bar date for general unsecured claims of February 14, 2026. To determine the adequacy of the notice given to a creditor, bankruptcy law distinguishes between "known" and "unknown" creditors. Courts have recognized that "publication notice [of the claims bar date] is legally adequate notice to unknown creditors." *In re Anchor Glass Container Corp.*, 325 B.R. 892, 895 (Bankr. M.D. Fla. 2005) (quoting *Matter of GAC Corp.,* 681 F.2d 1295, 1300 (11th Cir.1982)). *See also Matter of Chicago, Milwaukee, St. Paul & Pac. R.*, 974 F.2d 775, 788-89 (7th Cir. 1992); *In re Argonaut Fin. Services, Inc.*, 164 B.R. 107, 112 (N.D. Cal. 1994). The Supreme Court has characterized a "known" creditor as one whose identity is either known or is "reasonably ascertainable by the debtor." *Tulsa Professional Collection Serv., Inc. v. Pope*, 485 U.S. 478, 490 (1988). Conversely, an "unknown" creditor is one whose "interests are either conjectural or future or, although they could be discovered upon

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 7 of 15

investigation, do not in due course of business come to knowledge [of the debtor]." *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 317 (1950).

17. A creditor's identity is "reasonably ascertainable" if that creditor can be identified through "reasonably diligent efforts." *Mennonite Bd. of Missions v. Adams*, 462 U.S. 791, 798 n.4 (1983). Reasonable diligence does not require "impracticable and extended searches … in the name of due process." *Mullane,* 339 U.S. at 317. A debtor does not have a "duty to search out each conceivable or possible creditor and urge that person or entity to make a claim against it." *In re Charter Co.*, 125 B.R. 650, 654 (M.D.Fla.1991). The requisite search instead focuses on the debtor's own books and records. *See Chemetron Corp. v. Jones*, 72 F.3d 341, 347 (3d Cir. 1995). As for the particular efforts a debtor must exert to identify known creditors, "[w]hether a creditor received adequate notice of a bar date 'depends upon the facts and circumstances of a given case.'" *In re The Grand Union Co.*, 204 B.R. 864, 871 (Bankr. D. Del. 1997) (citing *Oppenheim, Appel, Dixon & Co. v. Bullock* (*In re Robintech, Inc.*), 863 F.2d 393, 396 (5th Cir. 1989), *cert. denied*, 493 U.S. 811 (1989)).

18. Debtor proposes to provide actual written notice of the commencement of this Chapter 11 Case and the Bar Dates to all known Persons and Entities holding Claims for whom Debtor has an actual deliverable address (including the Interval Owners, and PTVO).

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 8 of 15

19. In giving actual notice to known Persons and Entities who may have a Claim (including all of the Interval Owners and PTVO), Debtor proposes to serve a notice of the commencement of this Chapter 11 Case which indicates the applicable Bar Dates, substantially in the form of the notice attached as **Exhibit A** (the "Notice of Case"), in accordance with Bankruptcy Rule 9007, so that the Notice of Case is served by first class mail within ten (10) business days after entry of an Order granting this Motion.

B. Effects of Service of the Notice of Case

20. The Notice of Case will:

a. advise creditors and other parties in interest of the commencement of this Chapter 11 Case;

b. advise potential creditors that they must file a Proof of Claim under Bankruptcy Rules 3002(a) and 3003(c)(2);

c. alert such potential creditors to the consequences of failing to timely file a Proof of Claim as set forth in Bankruptcy Rule 3003(c)(2);

d. specify the form to be used in filing a Proof of Claim;

e. set forth the Bar Dates;

f. set forth the address for filing a Proof of Claim; and

g. specify that Proofs of Claim sent by facsimile, telecopy, or electronic mail will not be accepted and.

21. Accordingly, the Notice of Case will provide parties in interest (including creditors, Association Members, and others) with notice of the

commencement of this Chapter 11 Case, and with sufficient information to allow them to timely file a properly prepared and executed Proof of Claim.

C. Parties Required to File Proofs of Claim

22. Unless otherwise ordered by this Court, Debtor proposes that all parties not otherwise exempted from doing so be required to file a Proof of Claim on or before the Bar Dates set forth in the Notice of Case, and that the Bar Dates apply to all Persons or Entities (each as defined in sections 101(41) and 101(15) of the Bankruptcy Code, respectively) asserting a Claim (as defined in section 101(5) of the Bankruptcy Code) against Debtor (whether secured, priority or unsecured) that arose prior to the Petition Date, including but not limited to the following:

a. Any Person or Entity whose Claim is listed as "disputed," "contingent," or "unliquidated" in Debtor's Schedules (the "Schedules") and that desires to assert a Claim against Debtor that would entitle the claimant to vote on any plan of reorganization or participate in any distribution under such plan;

b. Any Person or Entity who believes its Claim is improperly classified in the Schedules or is listed in an incorrect amount and that desires to assert its Claim in a classification or amount other than as set forth in the Schedules;

c. Any Person or Entity whose Claim is not listed in Debtor's Schedules.

23. Debtor requests that it retain all rights to: (a) dispute, contest, setoff, recoup, and assert any defenses, counterclaims, or subordination against, any filed Claim or any Claim listed or reflected in the Schedules as to nature, amount, liability,

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 10 of 15

classification, or otherwise; or (b) subsequently designate any Claim as disputed, contingent, or unliquidated.

24. Debtor further requests that pursuant to Bankruptcy Rule 3003(c)(2), any Person or Entity that is required to file a Proof of Claim but fails to do so in a timely manner shall be forever barred, estopped, and enjoined from: (a) asserting any Claim against Debtor that (i) is in an amount that exceeds the amount, if any, that is set forth in the Schedules, or (ii) is of a different nature or in a different classification (any such Claim referred to as an "Unscheduled Claim"); and (b) voting upon, or receiving distributions under, any plan or plans of reorganization in this Chapter 11 Case in respect of an Unscheduled Claim.

D. Parties Not Required to File Proofs of Claim

25. Debtor requests that the Court exempt any Person or Entity from having to file a Proof of Claim only to the extent that a subsequent order of the Court grants such an exemption, including, for example, with respect to any order authorizing Debtor to obtain post-petition financing (if any).

E. Procedures for Filing Proofs of Claim

26. In connection with providing the Notice of Case, Debtor will provide a customized Proof of Claim to potential holders of Claims substantially in the form attached hereto as **Exhibit B**. As stated above and subject to Court approval, Debtor has engaged STRETTO as their official claims and noticing agent (the "Claims and

Noticing Agent") subject to court approval. Debtor proposes that for any Proof of Claim to be timely and properly filed, a signed original of the completed Proof of Claim, together with accompanying documentation, must be sent so as to be actually received by the Claims and Noticing Agent, at the address indicated on the Proof of Claim, on or before the applicable Bar Date.

27. If a creditor wishes to receive acknowledgment of receipt of its Proof of Claim, such claimant must provide (in addition to the original Proof of Claim) one extra copy of such Proof of Claim along with a self-addressed, postage prepaid return envelope.

28. Debtor proposes that all Persons and Entities asserting Claims against Debtor be required to file the Proof of Claim in English and in U.S. dollars. If a Person or Entity does not specify the amount of its Claim in U.S. dollars, Debtor proposes that it reserves the right to convert such Claim to U.S. dollars using the applicable conversion rate as of the Petition Date, unless Debtor deems another date to be more appropriate.

F. Form of Member Consent

29. As set forth in more detail in the First Day Declaration, subject to approval of the Court, Debtor intends to market and sell its interest in the Project, together with the interests owned by Association Members, pursuant to section 363(h) of the Bankruptcy Code. Debtor and the Association Members own 100% of

the Project as tenants in common. Therefore, Debtor requests consent from all Association Members to the marketing and sale of their respective undivided interest(s) in the Project together with Debtor's interest in the Project. To the extent any Association Member does not consent to the sale, Debtor intends to file an adversary proceeding pursuant to 11 U.S.C. 363(h) seeking judgment against the non-consenting Association Members (any such proceeding, a "Section 363(h) Proceeding"). Debtor reserves the right to file a Section 363(h) Proceeding against all Association Members, including those who provide the Member Consent, for a judgment authorizing the Association to sell the Association Interest jointly with the interests of all Association Members in the Project.

30. Debtor believes that a large percentage of Association Members will consent to the sale of the Project if provided with the opportunity to do so. The Member Consent may be the basis of a proposed settlement, consent order/judgment, or summary judgment in a Section 363(h) Proceeding – which may expedite such proceeding. Debtor proposes—with its Claims and Noticing Agent's assistance—to serve the Member Consent substantially in the form attached hereto as **Exhibit C** on each of the Association Members at their last-known address, thereby soliciting such Association Members' consent to the proposed sale of his/her/its interest in the Project.

31. Debtor anticipates initiating Section 363(h) Proceeding(s) promptly; however, Debtor may opt to defer commencing such proceedings to the extent it believes it is in the best interest of the estate to do so. Nevertheless, Debtor anticipates providing members with no less than thirty days of notice of the Member Consent to consider their response thereto (including potentially obtaining legal advice) and return the Member Consent to the Claims and Noticing Agent (who will tabulate responses received).

32. Debtor believes the Member Consent provides sufficient information and detail to allow the Association Members to make an informed decision, and Debtor believes that the proposed timeline above will provide ample opportunity for the Association Members, particularly Interval Owners, to obtain legal advice (if desired) regarding the sale of his or her interest in the Project by Debtor. Debtor further believes that offering the Association Members an opportunity to execute the Member Consent is in the best interest of the estate, as it will obviate the need for Debtor to litigate against any Association Member who executes the Member Consent.

33. Finally, Debtor avers that no Association Members—even those declining to execute the Member Consent—will be prejudiced by the relief sought herein, as there is no legal effect to the Interval Owners declining to execute the Member Consent. Absent an Interval Owner's consent, Debtor will pursue a

judgment against such owner as part of a Section 363(h) Proceeding before there is any legal impact on such Interval Owner's rights. Accordingly, there are substantial efficiencies and cost-saving benefits to the estate by Debtor utilizing service of the Member Consent and tabulation of responses received, while approval and service of the Member Consent pose no threat to the Interval Owners' interests otherwise.

WHEREFORE, Debtor respectfully requests that the Court hear this Motion on an expedited basis and enter an order substantially in the form attached hereto as **Exhibit D**, (i) granting the relief requested in this Motion; and (ii) granting such other relief as the Court deems just and proper.

Date: December 7, 2025

Respectfully submitted,

/s/ Chuck C. Choi
Chuck C. Choi
Allison A. Ito
Daniel M. Eliades (*pro hac vice* pending)
Margaret R. Westbrook (*pro hac vice* pending)
Brian T. Peterson (*pro hac vice* pending)

Proposed Counsel for Debtor and Debtor-in-Possession

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10 Filed 12/07/25 Page 15 of 15

EXHIBIT A

NOTICE OF CASE

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 1 of 29

Information to identify your case:			
Debtor	**Association of Apartment Owners of Kauai Beach Villas** (Name)	EIN	**99-0210764**
United States Bankruptcy Court for the:	**DISTRICT OF HAWAII**	[Date case filed for chapter 11	/ / MM/DD/YYYY OR
Case Number:		[Date case filed in chapter ___	MM/DD/YYYY
		Date case converted to chapter 11	MM/DD/YYYY]

Official Form 309F2 (For Corporations or Partnerships under Subchapter V)

Notice of Chapter 11 Bankruptcy Case

10/20

For the debtor listed above, a case has been filed under chapter 11 of the Bankruptcy Code. An order for relief has been entered.

This notice has important information about the case for creditors, debtors, and trustees, including information about the meeting of creditors and deadlines. Read both pages carefully.

The filing of the case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from the debtor by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.

Confirmation of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy clerk's office within the deadline specified in this notice. (See line 12 below for more information.)

To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at https://pacer.uscourts.gov) or at the case website of **https://cases.stretto.com/kauaibeachvillas**.

The staff of the bankruptcy clerk's office cannot give legal advice.

Do not file this notice with any proof of claim or other filing in the case.

1.	**Debtor's full name**	**Association of Apartment Owners of Kauai Beach Villas**	
2.	**All other names used in the last 8 years**	N/A	
3.	**Address**	4330 KAUAI BEACH DRIVE Lihue, HI 96766	
4.	**Debtor's attorney** Name and address	Chuck C. Choi CHOI & ITO 700 Bishop Street Suite 1107 Honolulu, HI 96813	Contact phone 808.533.1877 Email cchoi@hibklaw.com
5.	**Bankruptcy trustee** Name and address		Contact phone ___ Email ___
6.	**Bankruptcy clerk's office** Documents in this case may be filed at this address. You may inspect all records filed in this case at this office or online at https://pacer.uscourts.gov.	1132 Bishop Street, Suite 250 Honolulu, Hawaii 96813	Hours open Mon−Fri 8:30am to 4:00pm Contact phone (808) 522−8100

7. Meeting of creditors

The debtor's representative must attend the meeting to be questioned under oath.

Creditors may attend, but are not required to do so.

_____ at _____ Location:

Date Time

To access telephonic 341 meeting, call 1−877−461−0585 and enter passcode 5721781#, when prompted.

The meeting may be continued or adjourned to a later date.
If so, the date will be on the court docket.

8. Proof of claim deadline

Deadline for filing a proof of claim:

[Not yet set. If a deadline is set, the court will send you another notice.] or

[date, if set by the court)]

When Filing Proofs of Claim: Claims may be delivered or mailed to:

First-Class Mail:
AOAO of Kauai Beach Villas
Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602

A proof of claim is a signed statement describing a creditor's claim. A proof of claim form may be obtained at https://pacer.uscourts.gov or any bankruptcy clerk's office or on the case website at **https://cases.stretto.com/kauaibeachvillas**, or by calling toll-free in the United States and Canada the information line at **(833) 412-2866 (Toll-Free or internationally at (714) 442-4513.**.

Your claim will be allowed in the amount scheduled unless:

☒ your claim is designated as *disputed, contingent, or unliquidated*;
☒ you file a proof of claim in a different amount; or
☒ you receive another notice.

Proofs of Claim may also be filed electronically via the case website:

https://cases.stretto.com/kauaibeachvillas

If your claim is not scheduled or if your claim is designated as *disputed*, *contingent*, or *unliquidated*, you must file a proof of claim or you might not be paid on your claim and you might be unable to vote on a plan. You may file a proof of claim even if your claim is scheduled.

You may review the schedules at the bankruptcy clerk's office or online at https://pacer.uscourts.gov or at the case website of **https://cases.stretto.com/kauaibeachvillas**..

Secured creditors retain rights in their collateral regardless of whether they file a proof of claim. Filing a proof of claim submits a creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a proof of claim may surrender important nonmonetary rights, including the right to a jury trial.

9. Exception to discharge deadline

The bankruptcy clerk's office must receive a complaint and any required filing fee by the following deadline.

If § 523(c) applies to your claim and you seek to have it excepted from discharge, you must start a judicial proceeding by filing a complaint by the deadline stated below.

Deadline for filing the complaint: _____

10. Creditors with a foreign address

If you are a creditor receiving notice mailed to a foreign address, you may file a motion asking the court to extend the deadlines in this notice. Consult an attorney familiar with United States bankruptcy law if you have any questions about your rights in this case.

11. Filing a Chapter 11 bankruptcy case

Chapter 11 allows debtors to reorganize or liquidate according to a plan. A plan is not effective unless the court confirms it. You may receive a copy of the plan and a disclosure statement telling you about the plan, and you may have the opportunity to vote on the plan. You will receive notice of the date of the confirmation hearing, and you may object to confirmation of the plan and attend the confirmation hearing. The debtor will generally remain in possession of the property and may continue to operate the debtor's business.

12. Discharge of debts

Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or part of your debt. See 11 U.S.C. § 1141(d). A discharge means that creditors may never try to collect the debt from the debtor except as provided in the plan. If you want to have a particular debt owed to you excepted from the discharge and § 523(c) applies to your claim, you must start a judicial proceeding by filing a complaint and paying the filing fee in the bankruptcy clerk's office by the deadline.

EXHIBIT B

PROOF OF CLAIM

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 4 of 29

Fill in this information to identify the case:	
Debtor: Association of Apartments Owners of Kauai Beach Villas	Case Number: 25-_____
United States Bankruptcy Court for the District of Hawaii	

Official Form 410

Proof of Claim

12/24

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**

   _____
   Name of the current creditor (the person or entity to be paid for this claim)

   Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?**

   ❑ No
   ❑ Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**

   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
_____ Name	_____ Name
_____ Number Street	_____ Number Street
_____ City State ZIP Code	_____ City State ZIP Code
Contact phone _____	Contact phone _____
Contact email _____	Contact email _____

Uniform claim identifier (if you use one):

__ __

4. **Does this claim amend one already filed?**

   ❑ No
   ❑ Yes. Claim number on court claims registry (if known) _____ Filed on _____
   MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**

   ❑ No
   ❑ Yes. Who made the earlier filing? _____

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 5 of 29

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
   - ❑ No
   - ❑ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____ ____ ____ ____

7. **How much is the claim?** $_____. **Does this amount include interest or other charges?**
   - ❑ No
   - ❑ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**

   Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

   Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

   Limit disclosing information that is entitled to privacy, such as health care information.

   _____

9. **Is all or part of the claim secured?**
   - ❑ No
   - ❑ Yes. The claim is secured by a lien on property.

   Nature of property:
   - ❑ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim.*
   - ❑ Motor vehicle
   - ❑ Other. Describe: _____

   Basis for perfection: _____

   Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

   Value of property: $_____

   Amount of the claim that is secured: $_____

   Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

   Amount necessary to cure any default as of the date of the petition: $_____

   Annual Interest Rate (when case was filed)_____%
   - ❑ Fixed
   - ❑ Variable

10. **Is this claim based on a lease?**
    - ❑ No
    - ❑ Yes. **Amount necessary to cure any default as of the date of the petition.** $_____

11. **Is this claim subject to a right of setoff?**
    - ❑ No
    - ❑ Yes. Identify the property: _____

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- ❑ No
- ❑ Yes. *Check one:*

	Amount entitled to priority
❑ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$_____
❑ Up to $3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$_____
❑ Wages, salaries, or commissions (up to $15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$_____
❑ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$_____
❑ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$_____
❑ Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$_____

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(3) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ❑ I am the creditor.
- ❑ I am the creditor's attorney or authorized agent.
- ❑ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ❑ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date _____
MM / DD / YYYY

_____
Signature

Print the name of the person who is completing and signing this claim:

Name _____
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____
Number Street

_____
City State ZIP Code

Contact phone _____ Email _____

Official Form 410

Instructions for Proof of Claim

United States Bankruptcy Court 12/24

These instructions and definitions generally explain the law. In certain circumstances, such as bankruptcy cases that debtors do not file voluntarily, exceptions to these general rules may apply. You should consider obtaining the advice of an attorney, especially if you are unfamiliar with the bankruptcy process and privacy regulations.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both.
18 U.S.C. §§ 152, 157 and 3571.

How to fill out this form

- **Fill in all of the information about the claim as of the date the case was filed.**
- **Fill in the caption at the top of the form.**
- **If the claim has been acquired from someone else, then state the identity of the last party** who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.
- **Attach any supporting documents to this form.** Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *redaction* on the next page.)

  Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).
- **Do not attach original documents because attachments may be destroyed after scanning.**
- **If the claim is based on delivering health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.**
- **A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth.** See Bankruptcy Rule 9037.
- **For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian.** For example, write *A.B., a minor child* (*John Doe, parent, 123 Main St., City, State*). See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, either enclose a stamped self-addressed envelope and a copy of this form or go to https://cases.stretto.com/kauaibeachvillas/claims/

Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing the bankruptcy estate. 11 U.S.C. § 503.

Claim: A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy. 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

Debtor: A person, corporation, or other entity who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. § 101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form that shows the amount of debt the debtor owed to a creditor on the date of the bankruptcy filing. The form must be filed in the district where the case is pending.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to **privacy** on the *Proof of Claim* form and any attached documents.

Secured claim under 11 U.S.C. §506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Uniform claim identifier: An optional 24-character identifier that some creditors use to facilitate payment.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

Do not file these instructions with your form.

EXHIBIT C

MEMBER CONSENT

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 10 of 29

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII

In re Association of Apartment Owners of Kauai Beach Villas, Debtor and Debtor in possession	Case No. 25-01103 (Chapter 11) (Subchapter V) Date: To be set Time: To be set Judge: Hon. Robert J. Faris

PLEASE TAKE NOTICE THAT on [●], 2025, the United States Bankruptcy Court for the District of Hawaii entered an order authorizing the above-captioned Debtor to send this document to you in order to solicit your consent to the proposed sale of the Property (as defined below). Debtor's records indicate that you own the interest(s) in the Property identified on the signature page below.

Debtor requests you review this Member Consent (as defined below) and, if you so choose, execute and return it to Debtor's claims and noticing agent, STRETTO by either mailing it in the enclosed, pre-addressed envelope or by uploading it online at https://cases.stretto.com/kauaibeachvillas.

Please return this Member Consent by no later than January 31, 2026. Debtor and its attorneys are unable to provide you with legal advice. Should you have questions about this Member Consent, you should consult with legal counsel prior to executing and returning it. Please note that in the event you choose not to execute and return this Member Consent, Debtor intends to name you as a defendant in a lawsuit to obtain authority to sell the Property notwithstanding your lack of consent.

For general questions about Debtor's bankruptcy case, additional information and legal documents are available free of charge at https://cases.stretto.com/kauaibeachvillas.

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 11 of 29

STIPULATION AND CONSENT AGREEMENT AUTHORIZING MARKETING AND SALE OF OWNERSHIP INTEREST(S) BY DEBTOR PURSUANT TO 11 U.S.C. § 363(h)

THIS STIPULATION AND CONSENT AGREEMENT Authorizing the Marketing and Sale of Ownership Interest(s) by Debtor Pursuant to 11 U.S.C. § 363(h) (the "Member Consent"), is being provided in connection with *Motion for Entry of an Order: (A) Approving the Form and Manner of Notice of the Commencement of this Chapter 11 Case, (B) Approving Form of Stipulation and Consent Agreement Authorizing Marketing and Sale of Ownership Interest(s) by Debtor Pursuant to 11 U.S.C. § 363(h), (C) Establishing Scope of Notice, and (D) Approving Service of Forms and Tabulation of Responses by STRETTO* (the "Motion")[1] filed by the Association of Apartment Owners of Kauai Beach Villas ("Debtor" or the "Association") (Doc. No. ___) and the order of the Bankruptcy Court approving the Motion (Doc. No. [●]); and the Association and **[MERGE OWNER(S) NAME(S)]** (the "Consenting Owner(s)") having agreed and stipulated to the following Stipulated Facts; and the Consenting Owner(s) having agreed and consented to the Agreements and Consents provisions below.

I. STIPULATED FACTS:

[1] Capitalized terms used but not otherwise defined herein shall have the meanings as given to them in the Motion.

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 12 of 29

1. As outlined in the *Declaration of Larry D. Warner in Support of Debtor's Applications for First Day Relief* (Doc. No. __), Debtor represents and alleges the following regarding (i) governing documents of the Association, (ii) ownership of the property governed by the Association, and (iii) Debtor's intention to market and sell the resort known as The Kauai Beach Villas located at 4330 Kauai Beach Drive, Lihue, Kauai, Hawaii (the "Property") governed by the Association, including the interests of Debtor and all other members of the Association, subject to approval of the Bankruptcy Court:

(a) The Association is a not-for-profit corporation organized under the laws of the State of Hawaii pursuant to a Certificate of Incorporation dated filed with the Secretary of State of Hawaii, Department of Commerce and Consumer Affairs, on April 15, 2025.

(b) The Association was formed pursuant to a Declaration of Horizontal Property Regime dated June 5, 1981, recorded in the Bureau of Conveyances on June 8, 1981 of the State of Hawaii (the "Bureau") in Liber 15596 at Page 1, as amended and restated by that certain instrument dated November 8, 1994, recorded in the Bureau on November 10, 1994, as Document No. 94-185714, which was subsequently amended by those certain instruments dated January 9, 1996, recorded in the Bureau on January 11, 1996, as Document No. 96-003864, dated May 28, 1998, recorded in the Bureau on June 3, 1998, as Document No. 98-079978, dated

February 16, 2001, recorded in the Bureau on March 1, 2001, as Document No. 2001-028162, and dated February 14, 2006, recorded in the Bureau on February 24, 2006, as Document No. 2006-037041 (the foregoing being collectively referred to as the "Declaration").

(c) The Declaration created a plan for development and establishment of the Property. The Property is managed, maintained and administered by the Association.

(d) The original Bylaws of the Debtor were attached to the Declaration and incorporated therein by reference. The Bylaws were restated by Restated By-Laws of the Debtor, which reflects that the Debtor was organized and exists to manage, maintain, acquire, construct and care for the resort. The Restated By-Laws were dated November 8, 1994, and recorded in the Bureau on November 10, 1994, as Document No. 94-185715. The Bylaws were subsequently amended by that certain instrument dated May 28, 1998, recorded in the Bureau on June 3, 1998, as Document No. 98-079978. The Bylaws as restated and amended are hereafter referred to as the "Bylaws".

(e) The Project consists of 8 separate three-story buildings, designated as buildings "A" - "H" containing a total of 150 Apartments. Each building consists of multiple one- and two-bedroom apartments. The Project also consists of 2

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 14 of 29

administrative buildings, a pool and a pool-use building. The complex was constructed in the 1980s.

(f) All of the Project is governed by the Association, including all Apartments. However, 105 of the 150 Apartments are utilized as timeshare. The PAHIO at Kauai Beach Villas Interval Owners Association (the "IOA" or "Interval Association") is responsible for the management of the timeshare plan. The Bylaws of the Debtor provide that the owners of the condominium units are the members of the Association (the "Association Members"). All members of the Interval Association are also members of the Association.

(g) Pursuant to a Warranty Deed dated September 20, 2025, PAHIO Vacation Ownership, Inc. ("PAHIO"), conveyed to the Association all the right, title, interest and claim of PAHIO to the following real property at the Property:

> *An undivided 2/102 interest in Apartment No. 12 at the KAUAI BEACH VILLAS, a condominium as described in the Declaration of Horizontal Property Regime as recorded in Official Records Liber 15596, Page 1, Bureau of Conveyances of the State of Hawaii, and all amendments thereto.*

(h) Debtor owns two (2) every other year intervals at the Property and a concomitant share of the common elements at the Project (the "Association Interest"), which comprises approximately .0159% of the total ownership interest at the Project. The Association owns the Association Interest as a tenant-in-common with all other interval owners.

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 15 of 29

(i) PAHIO, Pahio at Kauai Beach Villas Interval Owners Association, and PTVO Owners Association, Inc. ("PTVO") own a combined 30.26% of the Property. The Association owns approximately .0159% of the Property, on account of the Association Interest. The remaining ownership interests in the Property (approximately 69.69% of the total) are owned by approximately 6,893 parties to corresponding contracts ("Interval Owners"), with each interval having its own separate corresponding contract and forty-five (45) Association Members that own an Apartment (collectively, "Whole Unit Owners"). Interval Owners and the Whole Unit Owners are collectively referred to as "Owners" or "Members."

(j) Subject to approval of the Bankruptcy Court, Debtor intends to market and sell the Property, including the Association Interest and all interests owned by the Association Members, pursuant to section 363(h) of title 11 of the United States Code (the "Bankruptcy Code"). Therefore, Debtor requests consent from each of the Association Members to the marketing and sale of their undivided interest(s) in the Property, together with the Association Interest and all interests owned by the Association Members. Should an Association Member choose not to consent to the marketing and sale of their interests in the Property, Debtor intends to file a lawsuit against the non-consenting Association Member and seek a judgment from the Bankruptcy Court authorizing the sale of the non-consenting Association Member's interest pursuant to 11 U.S.C. §363(h).

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 16 of 29

2. The undersigned Consenting Owner(s) owns an undivided interest in the Property, identified in the signature line below (the "Consenting Owner Interest"). Consenting Owner(s) is the legal and beneficial owner of the Consenting Owner Interest. Consenting Owner(s) has the legal capacity to execute and deliver this Member Consent.

3. The undersigned Consenting Owner(s) owns the Consenting Owner Interest as a tenant-in-common with the Association Interest owned by Debtor.

4. Partition of the Property among Debtor and Association Members is impracticable.

5. Sale of the Association Interest alone would realize significantly less for the bankruptcy estate than a sale of the Property free of the interests of Debtor and all Association Members.

6. There is no detriment to the Consenting Owner(s) from the sale of its Consenting Owner Interest together with the sale of the undivided interests in the Property of the Debtor and all other members of the Association.

7. The Property is not used in the production, transmission, or distribution for sale, of electric energy or natural or synthetic gas for heat, light, or power.

II. AGREEMENTS AND CONSENTS OF CONSENTING OWNER(S):

i. Consent to Sale Pursuant to Section 363(h)

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 17 of 29

8. The undersigned Consenting Owner(s) consents to the marketing and sale of the Consenting Owner Interest together with the marketing and sale of the Association Interests and interests owned by other Association Members in the Property, pursuant to 11 U.S.C. § 363(h). In connection with the marketing and sale of the Property, the undersigned Consenting Owner(s) consents to the Association taking such actions as may be required to effectuate the sale, including but not limited to the termination of the plan of interval ownership and/or termination of the condominium property. Debtor reserves the right to file a lawsuit against Consenting Owner(s) for a judgment from the Bankruptcy Court authorizing the sale of the Consenting Owner Interest pursuant to 11 U.S.C. §363(h) and this Member Consent.

9. The marketing and sale of the Property, and the distribution of any sale proceeds, shall in all respects be subject to the jurisdiction and approval of the Bankruptcy Court.

10. The Consenting Owner(s) submits to the jurisdiction of the Bankruptcy Court in connection with Debtor's request to market and sell the Consenting Owner Interest together with the marketing and sale of the undivided interests in the Property of Debtor and all other Association Members pursuant to section 363(h) of the Bankruptcy Code.

11. The Consenting Owner(s) submits to the jurisdiction of the Bankruptcy Court in connection with the distribution of the proceeds of any sale of the Property, including sale of the Consenting Owner Interest, pursuant to sections 105, 363, and any other applicable provisions of the Bankruptcy Code.

12. The Consenting Owner(s) waives further service of process in connection with Debtor's request to market and sell the Consenting Owner Interest together with the marketing and sale of the Association Interest and interests owned by the other Association Members pursuant to section 363(h) and any other applicable provision of the Bankruptcy Code.

ii. Consent to Jurisdiction of Bankruptcy Court to Determine Setoff Against Any Delinquencies

13. To the extent the Consenting Owner(s) is delinquent in any obligation to Debtor related to the Consenting Ownership Interest, including with respect to maintenance fees, special assessments, or other obligations to Debtor (any such amount, a "Delinquency"), Debtor intends to ask the Bankruptcy Court to deduct and set off any proceeds from the sale of the Property that would otherwise be distributed to the Consenting Owner(s) against the amount of any Delinquency owed by the Consenting Owner(s).

14. The Consenting Owner(s) submits to the jurisdiction of the Bankruptcy Court in connection with the setoff of the proceeds of any sale of the Property, including sale of the Consenting Owner Interest, against any outstanding

Delinquency, pursuant to sections 105 and 553 of the Bankruptcy Code and any other applicable law.

15. The Consenting Owner(s) waives further service of process in connection with Debtor's request to setoff the proceeds from the sale of the Consenting Owner Interest against any Delinquency pursuant to section 553 of the Bankruptcy Code and any other applicable law.

III. MISCELLANEOUS PROVI SIONS:

16. Nothing contained herein shall be deemed or construed to limit Debtor to the terms of this Member Consent or bar Debtor from seeking other and further relief.

17. Upon execution, return this Member Consent to Debtor's claims and noticing agent, STRETTO, by either mailing it in the enclosed, pre-addressed envelope or by uploading it online at https://cases.stretto.com/kauaibeachvillas. Debtor requests that Consenting Owner(s) return this Member Consent within thirty days of receipt of this document.

[Remainder of page left intentionally blank. Signature page to follow.]

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 20 of 29

IV. EXECUTION:

THE UNDERSIGNED ARE AUTHORIZED TO AND DO STIPULATE TO THE FOREGOING FACTS AND AGREE AND CONSENT TO THE FOREGOING PROVISIONS:

CONSENTING OWNER(S):

Owner 1 Signature: _____

Owner 1 Printed Name: _____

Mailing Address: _____

_____

Owner 2 Signature: _____

Owner 2 Printed Name: _____

Mailing Address: _____

_____

CONSENTING OWNER(S) INTEREST(S):

Contract No.: _____

Building: _____

Unit: _____

Week: _____

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 21 of 29

ASSOCIATION OF APARTMENT OWNERS OF KAUAI BEACH VILLAS

By: _____
Larry D. Warner, President of the Board of Directors

V. PREPARED BY:

Date: [●], 2025

Respectfully submitted,

/S/ DRAFT
Chuck C. Choi
Allison A. Ito
Daniel M. Eliades (*pro hac vice* pending)
Margaret R. Westbrook (*pro hac vice* pending)
Brian T. Peterson (*pro hac vice* pending)

Proposed Counsel for Debtor and Debtor-in-Possession

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 22 of 29

EXHIBIT D

PROPOSED ORDER

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 23 of 29

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII

In re Association of Apartment Owners of Kauai Beach Villas, Debtor and Debtor in possession	Case No. 25-01103 (Chapter 11) (Subchapter V)

ORDER GRANTING EXPEDITED MOTION FOR ENTRY OF AN ORDER: (A) APPROVING THE FORM AND MANNER OF NOTICE OF THE COMMENCEMENT OF THIS CHAPTER 11 CASE, (B) APPROVING FORM OF STIPULATION AND CONSENT AGREEMENT AUTHORIZING MARKETING AND SALE OF OWNERSHIP INTEREST(S) BY DEBTOR PURSUANT TO 11 U.S.C. § 363(h), (C) ESTABLISHING SCOPE OF NOTICE, AND (D) APPROVING SERVICE OF FORMS AND TABULATION OF RESPONSES BY STRETTO

The *Expedited Motion for Entry of an Order: (A) Approving the Form and Manner of Notice of the Commencement of this Chapter 11 Case, (B) Approving Form of Stipulation and Consent Agreement Authorizing Marketing and Sale of Ownership Interest(s) by Debtor Pursuant to 11 U.S.C. § 363(h), (C) Establishing Scope of Notice, and (D) Approving Service of Forms and Tabulation of Responses by STRETTO* (the "Motion") filed by the Association of Apartment Owners of Kauai

U.S. Bankruptcy Court - Hawaii #25-01103 Dkt # 10-1 Filed 12/07/25 Page 24 of 29

Beach Villas ("Debtor") on December 7, 2025, came on for a hearing before the Honorable Robert J. Faris, United States Bankruptcy Judge for the United States Bankruptcy Court for the District of Hawaii (the "Court") on _____ pursuant to the Court's Order Granting Debtor's Motion to Shorten Time on Debtor's various first day motions.

Appearances are as noted on the record.

The Motion requests the entry of an order approving (i) the form of the Notice of Case and the Bar Dates set forth therein, (ii) the form of the Proof of Claim, (iii) the form of the Member Consent, and (iv) service of the Forms and tabulation of responses by the Claims and Noticing Agent.

The Court, having considered the Motion, finds that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), and that this Court may enter a final order consistent with Article III of the Constitution; (iii) venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (iv) the relief requested in the Motion is in the best interests of Debtor, its estate, its creditors and other parties in interest; (v) notice of the Motion and the Hearing were appropriate under the circumstances and no other notice need be provided; and (vi) upon review of the record before the Court, including the legal and factual bases set forth in the Motion and the First Day Declaration and the statements made by counsel at the

Hearing, good and sufficient cause exists to grant the relief requested. Accordingly, it is

ORDERED:

1. The Motion is **GRANTED**.

2. The Notice of Case, substantially in the form attached to the Motion as **Exhibit A**; the Proof of Claim, substantially in the form attached to the Motion as **Exhibit B**; and the Member Consent, substantially in the form attached to the Motion as **Exhibit C**, are **APPROVED**.

3. The Bar Dates set forth in the Notice of Case apply to all Persons or Entities (each as defined in sections 101(41) and 101(15) of the Bankruptcy Code) holding a Claim (as defined in section 101(5) of the Bankruptcy Code) against Debtor (whether secured, priority or unsecured) that arose prior to the Petition Date, including but not limited to the following:

   a. Any Person or Entity whose Claim is listed as "disputed," "contingent," or "unliquidated" in Debtor's Schedules (the "Schedules") and that desires to assert a Claim against Debtor that would entitle the claimant to vote on any plan of reorganization or participate in any distribution under such plan;

   b. Any Person or Entity who believes its Claim is improperly classified in the Schedules or is listed in an incorrect amount and that desires to assert its Claim in a classification or amount other than as set forth in the Schedules;

   c. Any Person or Entity whose Claim is not listed in the applicable Debtor's Schedule.

4. The following categories of claimants, in the capacities described below, shall be exempt from any requirement to file a Proof of Claim prior to the Bar Dates: any Person or Entity that is exempt from filing a Proof of Claim pursuant to an order of the Court in the case.

5. Debtor shall retain all rights to: (a) dispute, contest, setoff, recoup, and assert any defenses, counterclaims, or subordination against, any Claim submitted to the Claims and Noticing Agent or any Claim listed or reflected in the Schedules as to nature, amount, liability, classification, or otherwise; or (b) subsequently designate any Claim as disputed, contingent, or unliquidated.

6. Pursuant to Bankruptcy Rule 3003(c)(2), any Person or Entity that is required to submit a Proof of Claim but fails to do so in a timely manner shall be forever barred, estopped, and enjoined from: (a) asserting any Claim against Debtor that (i) is in an amount that exceeds the amount, if any, that is set forth in the Schedules, or (ii) is of a different nature or in a different classification, if any, that is set forth in the Schedules (any such Claim referred to as an "Unscheduled Claim"); and (b) voting upon, or receiving distributions under, any plan or plans of reorganization in the Chapter 11 Case in respect of an Unscheduled Claim.

7. In providing notice of the Bar Dates, Debtor shall provide holders of Claims a customized Proof of Claim Form. Subject to Court approval, Debtor has retained STRETTO as its official Claims and Noticing Agent. For any Proof of

Claim Form to be timely and properly filed, a signed original of the completed Proof of Claim Form, together with accompanying documentation, must be sent so as to be actually received by the Claims and Noticing Agent, at the address indicated on the Proof of Claim Form, on or before the Bar Dates.

8. If a creditor wishes to receive acknowledgment of receipt of its Proof of Claim Form, such claimant must provide (in addition to the original Proof of Claim Form) one extra copy of such Proof of Claim Form along with a self-addressed, postage prepaid return envelope.

9. All Persons and Entities asserting Claims against Debtor are required to file the Proof of Claim Forms in English and in U.S. dollars. If a Person or Entity does not specify the amount of its Claim in U.S. dollars, Debtor reserves the right to convert such Claim to U.S. dollars using the applicable conversion rate as of the Petition Date, unless Debtor deems another date to be more appropriate.

10. Debtor shall provide actual written notice of the commencement of this Chapter 11 Case and the Bar Dates to all known Persons and Entities holding Claims for whom Debtor has an actual deliverable address, including (but not limited to) the Interval Owners and PTVO.

11. In giving actual notice to known Persons and Entities who may have a Claim (including the Interval Owners and PTVO), Debtor shall serve the Notice of

Case, in accordance with Bankruptcy Rule 9007, so that the Notice of Case is served by first class mail within ten (10) business days after entry of this Order.

12. In accordance with Bankruptcy Rule 2002(a)(7), service of the Notice of Case in the manner set forth above shall be deemed good and sufficient notice of the Bar Dates to known creditors.

13. The Claims and Noticing Agent is authorized to serve all Forms approved by this Order and tabulate responses thereto.

14. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

15. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

END OF ORDER

SUBMITTED BY:

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