

**THE ANNUAL MEETING OF
THE BAY CLUB VACATION OWNERS ASSOCIATION, INC.**

November 20, 2008

The annual meeting of The Bay Club Vacation Owners Association, Inc. ("VOA") was held on November 20, 2008 at 10 a.m. at the Hilton Waikoloa Village Hotel, Kohala Ballroom, 69-425 Waikoloa Beach Drive, Waikoloa, Hawaii 96738 pursuant to notice. Members of the board present were Russell Malkoske, meeting chairman and president; Robert Ireland, Jim Desmond, Leroy Remmers and Grant Ito.

The meeting was called to order with 36 owners and representatives present. Secretary Robert Ireland noted that a quorum consists of twenty (20) percent of the total votes of all owners. Based on 8,517 ownership intervals, the total amount of potential votes for this year's election was 17,034. In accordance with the association's DCC&R, section 4.7(a), each member who owns an every other year contract is entitled to one (1) vote. Each member who owns an every year ownership share shall have two (2) votes for each ownership interest owned. It was reported that 3,561 or 20.9% votes were present at the meeting either in person or by proxy, thus constituting a valid meeting.

The minutes of the 2008 annual meeting were presented to the assembly. Mr. William Collins made a motion to approve the minutes; seconded by Mr. Bob Lacoma. **Motion** carried.

Mr. Robert Gunthner, General Manager of the resort and representative of the management company (Hilton Grand Vacations Company), presented an on-site report highlighting the accomplishments of the 2008 operating year. Mr. Gunthner reported that the resort lost RCI Gold Crown status for the first time in many years.

Mr. Ireland informed the membership that the 2009 operations budget was approved by the board of directors at a meeting held the day prior, November 19, 2008. The association's operating budget for 2009 is an increase of 9.1% over 2008. Mr. Ireland discussed the changes from the prior year and answered questions.

Mr. Remmers announced that one seat was up for election. Four candidates were included on the ballot. Mr. Remmers explained the election process and called for any outstanding ballots which were collected.

Mr. Russell Iungerich made a motion to approve the actions of the directors of the association since the last annual owners meeting as follows: *RESOLVED, that any and all actions taken by any director of the Association since the date of the last Annual Owner Meeting of the Association held on May 8, 2008 are hereby RATIFIED, APPROVED, CONFIRMED and ADOPTED in all respects as the acts and the deeds of the Association.* Mr. Brian Albert seconded the motion. After discussion, **Motion** carried.

Mr. William Collins made a motion to authorize the Directors to take actions to effectuate approved agenda items and read the resolution as follows: *RESOLVED that the directors and proper officers of the Association, as well as any authorized representative of Hilton Grand Vacations Company, LLC, the Association's managing entity, are hereby severally authorized, empowered, and directed to sign, execute, certify to, verify, acknowledge, deliver, accept, file, and record any and all such instruments, agreements, and documents, and to take, or cause to be taken, any and all such action, in the name and on behalf of the Association or otherwise, as any such director, officer or individual shall, in that director's, officer's or individual's sole discretion, deem necessary or desirable and in the best interest*

of the Association in order to effect the purposes of the foregoing resolutions, and that such person's signature, or such actions taken by such person, shall be conclusive evidence that the person deemed the same to meet that standard. Mr. Bob Doerr seconded the motion. After discussion, **Motion** carried.

Mr. Remmers announced the results of this year's election as follows:

Martin Bender – 367 votes

David Christensen – 733 votes

Russell Malkoske – 1,561 votes

Kevin White – 293 votes

With the term of one director, Russell Malkoske, expiring on December 31, 2008, Mr. Remmers declared that Mr. Russell Malkoske had been duly reelected to serve a three-year term commencing January 1, 2009 and continuing until a respective successor shall be duly elected and qualified at the appropriate annual meeting.

Following a question and answer period, the meeting was adjourned at approximately 11 a.m.

Respectfully submitted,

Robert Ireland
Secretary/Treasurer