

**MINUTES OF THE ANNUAL MEETING OF  
THE BAY CLUB VACATION OWNERS ASSOCIATION  
OF THE BAY CLUB AT WAIKOLOA BEACH RESORT  
November 14, 2007**

The annual meeting of The Bay Club Vacation Owners Association ("VOA") of The Bay Club at Waikoloa Beach Resort was held on November 14, 2007 at 10:00 a.m. at the Hilton Waikoloa Village Hotel, Water's Edge Ballroom, 69-425 Waikoloa Beach Drive, Waikoloa, Hawaii 96738 pursuant to notice. Russell Malkoske, meeting Chairman and President of the VOA, presided.

The meeting was called to order with 60 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 3,998 votes or 23.46% were present at the meeting either personally or by proxy, thus constituting a valid meeting.

The minutes of the 2006 annual meeting were presented to the assembly and approved as presented.

Mr. Scott Fuchigami, General Manager of the resort and representative of the management company (Hilton Grand Vacations Company), presented an oral discussion on the highlights of the 2007 operating year.

Meeting Chairman Russell Malkoske informed the membership that the 2008 operations budget was approved by the Board at a meeting held earlier in the morning, Wednesday, November 14, 2007. The VOA's operating budget for 2008 is an increase of \$753,407 or 9.56% over 2007.

The Chairman announced the results of this year's election as follows:

Jim Desmond – 1,513 votes

David Christensen – 1,132 votes

Carolyn Shoenwald – 441 votes

Eishun Tsuchida – 163 votes

With the terms of one director, Jim Desmond, expiring on December 31, 2007, the Chairman declared that Mr. Jim Desmond had been duly elected to serve a three-year term commencing January 1, 2008 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 10:45 am.

Respectfully submitted,



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Robert Ireland  
Secretary/Treasurer