

December 13, 2018

Dear Member:

These minutes are being distributed to Members as outlined in the Bylaws, Article 8. Dissemination of Financial and Other Information to Owners, 8.5, Distribution of Minutes.

The Disclosure Statement and Insurance Summary is provided as outlined in California Civil Code 5300 and 5310 and in the GRCLT, Inc., Declaration of Covenants, Conditions and Restrictions (CCR's), Article VI. 6.2, Specific Powers and Duties of the Association; b) Enforcement by Lien; k) Insurance (2) Distribution of Insurance Summary. (A), (B), (C), and (D); and (o) Minutes, Agenda and Policies.

For questions related to the information contained in this letter, please feel free to contact me via email at [Greg.Campbell@vacationclub.com](mailto:Greg.Campbell@vacationclub.com).

Sincerely,

*Greg Campbell*

General Manager

Marriott Grand Residence Club – Lake Tahoe

**GRCLT Condominium, Inc.**

**Board of Directors Meeting**

**October 22, 2018**

A regular meeting of GRCLT Condominium, Inc., Board of Directors was held on October 22, 2018, at Marriott Grand Residence Club, Lake Tahoe, 1001 Heavenly Village Way, South Lake Tahoe, California 96150.

**Present from the Board of Directors were:** David Bier, President; James Deatherage, Vice President; Gary Giboney, Treasurer; James McBee, Secretary; John Albert, Director; Lewis Feldman, Director and James Ray Newlon, Director

**Present from Marriott Vacation Club® International, representing the Management Company, were:** Kenaz Acevedo, Director of Engineering; James Beddingfield, Director of Operations, Timber Lodge; Jane Berg, Regional Vice President of Operations-West; Greg Campbell, General Manager; Ted Howard, Chief Engineer; Jennifer Kammerer, Market Director of Finance-Southwest; Tom McCormack, Market General Manager; Melissa Reynolds, Senior Assistant Controller; Manuel Sanchez, Director of Room Operations; Vakhid Shimanski, Director of Finance and Sheri Runyon, Executive Assistant

**Guests present were:** Nico March and Will Griffith, March Group of Wells Fargo Investments

**Owners present were:** Bob Bell, Daryl Golemb and Tim Golobic

**CALL TO ORDER**

James Deatherage, Vice President, called the meeting to order at 9:04 a.m., Pacific time

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code  
Mr. Bier reviewed Davis-Stirling Act, Section 4900, Open Meeting Act.

**ESTABLISHMENT OF QUORUM**

Mr. Deatherage announced with all Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Deatherage appointed Sheri Runyon to serve as Recording Secretary.

**PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING**

Notice of Board Meeting was emailed to each Board Member on January 30, 2018, as required by the Association Bylaws.

**APPROVAL OF AGENDA**

**A motion was made by James Ray Newlon to approve the Agenda as presented. The motion was seconded by Lewis Feldman and unanimously carried.**

**APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES**

**A motion was made by Jim McBee to approve the July 17, 2018 Board Meeting Minutes as presented. The motion was seconded by James Ray Newlon and unanimously carried.**

**A motion was made by Jim McBee to approve the July 17, 2018 Nominating Committee Meeting Minutes as presented. The motion was seconded by Gary Giboney and unanimously carried.**

**FINANCIAL REPORT**

Wells Fargo Investments

Nico March and Will Griffith presented an investment update. Highlights included:

- The Investment Policy is ultra-conservative; all funds are insured by Federal Deposit Insurance Corporation (FDIC) with no risk to principal
- As of October 15, 2018, the balance of the Fractional Reserve account is \$13,691,009

- As of October 15, 2018, the balance of the Common Area Reserve account is \$3,895,000

**A motion was made by Gary Giboney to continue the current investment strategy for 2019 with the March Group of Wells Fargo Investments for GRCLT Condominium, Inc. The motion was seconded by John Albert and unanimously carried.**

2018 Financial Review

Vakhid Shimanski reviewed 2018 financials. Highlights included:

- 2018 Operating Fund is forecasted to have a deficit of \$58,248 at year-end
- Forecasted life-to-date Operating Fund balance is projected to be approximately \$219,492 at year-end

2018 Audit Firm Engagement

Gary Giboney reviewed audit firm proposals to conduct the 2018 financial audit. Highlights included:

- The bid from Crowe is \$12,500, the bid from RSM is \$12,500 and the bid from PricewaterhouseCoopers is \$17,500

The Finance Committee recommended the Board continue with RSM to conduct the 2018 financial audit. The Board will discuss with Timber Lodge Condominium Association and Timber Lodge Timeshare Association Boards of Directors the possibility to change firms simultaneously in the future, to review possible cost savings and allow the Accounting teams of both Associations continue use of the same audit firm.

**A motion was made by James Ray Newlon to engage RSM to conduct the 2018 financial audit of GRCLT Condominium, Inc. The motion was seconded by John Albert and unanimously carried.**

Accounts Receivable

Mr. Shimanski reviewed Accounts Receivable. Highlights included:

- Through the first three quarters of 2018, uncollected maintenance fees are trending lower compared to 2017; year-end 2017 uncollected maintenance were 2%
- As of September 30, 2018, outstanding 2018 Maintenance Fees are at 17.1%

Reserves

Mr. Shimanski presented the Reserves. Highlights included:

- Majority of Common Area and Fractional Area Reserve projects are completed
- Several components of the pool project and building automation system were slightly over budget
- Management Company recommends the purchase of two new computers and a printer for the guest business center kiosk

Project	Original Budget	Actual Expense	Variance for Approval
Resurface pool	\$38,500	\$40,388	(\$1,888)
Expand pool deck	\$128,000	\$132,543	(\$4,543)
Replace pool spa pump	\$7,265	\$7,577	(\$312)
<b>Total</b>	<b>\$173,765</b>	<b>\$180,508</b>	<b>(\$6,743)</b>

**A motion was made by Gary Giboney to approve an additional \$6,743 from the 2018 GRCLT Condominium, Inc., Fractional Ownership Reserve Fund for the completed projects of resurfacing the pool, expansion of pool deck and replacement of pool spa pump, bringing the total approved amount to \$180,508 for the projects. The motion was seconded by James Ray Newlon and unanimously carried.**

**A motion was made by Lewis Feldman to approve \$7,768 from the 2018 GRCLT Condominium, Inc., Fractional Ownership Reserve Fund for the purchase of two computers and one printer for the guest computer kiosk. The motion was seconded by Gary Giboney and unanimously carried**

**A motion was made by Gary Giboney to approve an additional \$6,027 from the 2018 GRCLT Condominium, Inc., Common Area Reserve Fund for the Building Automation System, bringing the total project cost to \$156,027. The motion was seconded by Jim McBee and unanimously carried.**

#### 2020-2021 Refurbishment

2020-2021 refurbishment was not discussed. Marc Adams, Senior Director of Refurbishment, will discuss 2020-2021 refurbishment at the January 29, 2019 Board of Directors Meeting.

#### **RESORT OPERATIONS REPORT**

Manuel Sanchez presented the Resort Operations report. Highlights included:

- As of September 30, 2018, Overall Guest Satisfaction Score was 86.4%; several factors contributed to the slight decrease year over year, including the transition of the valet parking company, pool enhancement project and transition of Front Office leadership

#### **PROPOSED 2019 MAINTENANCE FEE AND BUDGET**

Greg Campbell and Mr. Shimanski reviewed the proposed 2019 Maintenance Fee and Budget. Highlights included:

- Management Company recommended a combined 5.8% increase to the 2019 Maintenance Fee; key drivers included Wages and Benefits, Reserve Fund contributions and Property Insurance Premium expenses
- Staffing remains a challenge to retain and recruit qualified individuals in South Lake Tahoe
- California minimum wage will increase \$1.00 per hour per year until 2022
- Finance Committee requested a proposed budget with an increase of no more than the current rate of inflation for the city of San Francisco, which is currently 4.3%

The risks associated with reducing the Management Company proposed budget were reviewed with the Board and the budget was reduced in the following areas per the Finance Committee:

- Common Fund Reserves Cash Flow was initially presented by Management with a proposed 30% increase in contributions from 2019 to 2021 in anticipation of expenditures of over \$5,000,000 in 2022.
- Finance Committee requested \$3,800,000 in expenditures in 2022 be reflected in 2024 under the assumption that the roof replacement and snow brackets on the roof would be able to sustain two additional years of life before needing to be replaced in 2024. The change in expenditures in 2022 enabled the Reserve contributions over the next several years to be decreased to 15% for 2019 through 2023 before increasing to 20% in 2023. The cash flow scenario represents a 1% funded balance in 2024 after the significant exterior roofing projects are executed.
- Fractional Fund Reserves Cash Flow was initially presented by Management with a proposed 6% increase in contributions from 2019 through 2027. The funding plan anticipated expenditures of \$8,888,627 in 2020/2021 and \$35,558,596 in 2026/2027 encompassing villa refurbishments on a six-year refurbishment cycle.
- Finance Committee requested \$250,000 be reduced from the 2020/2021 villa refurbishment planned expenditures and \$500,000 be reduced from the 2026/2027 villa refurbishment planned expenditures. These reductions in planned expenditures enabled the Reserve contributions for 2019 to achieve a 3.7% increase. and 2020 through 2026 to be planned at a 5% annual increase to Fractional Reserve contributions. The cash flow scenario represents less than 1% funded balance in 2027 after the villa refurbishment in 2026/2027 is executed.
- The Finance Committee recommended to approve a budget increase of 4.06%. It includes an increase to the Fractional Ownership Maintenance Fees of 3.78% and an increase of 8.8% to the Commercial tenants.
- Common Area Reserve discussions included future roof replacements and the associated timeline

**A motion was made by Gary Giboney to approve the 2019 Operating Fee of \$5,703,761, Fractional Reserve Fee of \$2,510,047 and 2019 Common Area Reserve Fee of \$498,285, for a total maintenance fee of \$8,712,093; including each line item thereof. The motion was seconded by John Albert and unanimously carried.**

#### **ACTION ITEMS**

Mr. Campbell reviewed current Action Items. Highlights included:

- Pulse properties established in urban locations charge for parking

### **CALIFORNIA STATUTES**

Jennifer Kammerer provided an overview of changes to California statutes, specific provisions included:

- Davis-Stirling Act Section 5673 pertaining to recording of liens
- Davis-Stirling Act Section 4528 pertaining to charging for requested documents
- California Assembly Bill 2912 pertaining to Association finances

**A motion was made by Gary Giboney to approve charges for documents provided for GRCLT Condominium, Inc., as required by Section 4528 of California Civil Code, as presented. The fee for each document is \$0.00. The Board requested the annual disclosures be posted on the Owner's website. The motion was seconded by Lewis Feldman and unanimously carried.**

### **BOARDVANTAGE**

Ms. Kammerer presented benefits of BoardVantage software which may be utilized for future Board Meetings and satisfy California statute requirements. Highlights included:

- BoardVantage stores electronic documents and allows Board Members capability of approving documents through electronic signatures
- Meeting minutes, Board materials and monthly financial statements are retained in BoardVantage for Board Member reference
- Cost of three licenses for software is approximately \$1,500 annually

**A motion was made by Gary Giboney to approve Management purchasing BoardVantage licenses for the President, Treasurer and one additional Board Member at a cost not to exceed \$1,500 annually without further Board approval. The motion was seconded by James Ray Newlon and unanimously carried.**

### **EXTENSION OF RESERVATION CALENDARS**

Mr. Campbell presented the Owner Use Week Calendars extended through 2023.

**A motion was made by Jim McBee to acknowledge the extension of Marriott Grand Residence Club, Lake Tahoe use week calendars for calendar years 2020 through 2023, as presented at the meeting by Greg Campbell, which will be used as the calendars for the property for calendar years 2020 through 2023, subject to final formatting and disclosure changes as may be determined by the Management Company. The motion was seconded by Gary Giboney and unanimously carried.**

### **ANNOUNCEMENT OF NEXT MEETING DATES**

- Board Meeting - January 29, 2019
- Board Meeting - April 23, 2019
- Board Meeting - July 23, 2019
- Board and Annual Meetings - October 22, 2019

### **NEW BUSINESS**

Lewis Feldman presented updates on the South Lake Tahoe area. Highlights included:

- Highway 50 Loop Road proposal will be presented at an upcoming Tahoe Regional Planning Authority meeting and accept public comment.
- An events center, with a capacity of up to 6000 attendees, is in the approval process. Construction to begin as early as 2019.

### **ADJOURNMENT**

**There being no further business to come before the Board, a motion was made by James Ray Newlon to adjourn the meeting at 11:53 a.m. The motion was seconded by Jim McBee and unanimously carried.**

Submitted by:

Approved by:

10.22.18 Board of Directors Meeting

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Sheri Runyon  
Recording Secretary

Date

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David Bier  
President

Date

**These minutes are subject to approval at the next Board of Directors Meeting**

**GRCLT Condominium, Inc.**

**Organizational Meeting**

**October 22, 2018**

The Organizational Meeting of GRCLT Condominium, Inc., was held on October 22, 2018, at Marriott Grand Residence Club, Lake Tahoe, Media Center, 1001 Heavenly Village Way, South Lake Tahoe, California 96150.

**Present from the Board of Directors were:** James Deatherage, Gary Giboney, Jim McBee and James Ray Newlon

**Absent from the Board of Directors were:** John Albert, David Bier and Lewis Feldman

**CALL TO ORDER**

James Deatherage called the meeting to order at 1:48 p.m., Pacific time.

**ESTABLISHMENT OF QUORUM**

With the majority of Board Members present, quorum was met.

**APPOINTMENT OF RECORDING SECRETARY**

Mr. Deatherage appointed Sheri Runyon to serve as Recording Secretary.

**COMMITTEE APPOINTMENT**

Board Members present recommended the Finance Committee contain no more than three Board Members and for 2019 appoint David Bier, Gary Giboney and James Ray Newlon to serve on the Committee.

**ELECTION OF OFFICERS**

**A motion was made by James Ray Newlon to elect David Bier as President, James Deatherage as Vice President, Gary Giboney as Treasurer and Jim McBee as Secretary. The motion was seconded by Gary Giboney and unanimously carried.**

**ADJOURNMENT**

**A motion was made by James Ray Newlon to adjourn the meeting at 1:51 p.m. The motion was seconded by Jim McBee and unanimously carried.**

Submitted by:

Approved by:

\_\_\_\_\_  
Sheri Runyon    Date  
Recording Secretary

\_\_\_\_\_  
David Bier    Date  
President

**These minutes are subject to approval at the next Board of Directors Meeting**

## **ANNUAL BUDGET REPORT DISCLOSURES**

### **INSURANCE SUMMARY**

**This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.**



**GRCLT Condominium, Inc.**  
**SECTION 5300(b) (10) CALIFORNIA CIVIL CODE**  
**Federal Housing Administration**

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

**GRCLT Condominium, Inc.**  
**SECTION 5300(b) (11) CALIFORNIA CIVIL CODE**  
**Veterans Affairs**

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.

**GRCLT Condominium Inc.**

**SECTION 5300(b) (12) CALIFORNIA CIVIL CODE**

Charges for Documents Provided.

In accordance with Section 4528 of the California Civil Code, attached is the completed “Charges for Documents Provided” setting forth the billing disclosures required pursuant to Section 4530 of the California Civil Code.

**CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525 OF THE CALIFORNIA CIVIL CODE\***

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: 1001 Heavenly Village Way, South Lake Tahoe, California 96150

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name: Greg Campbell

Position or Title: General Manager

Association or Agent: GRCLT Condominium, Inc.

Date Form Completed:

Check or Complete Applicable Column or Columns Below:

<u>Document:</u>	<u>Civil Code Section Included:</u>	<u>Fee for Document:</u>	<u>Not Available (N/A), Not Applicable (N/App) or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP):</u>
<input type="checkbox"/> Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	\$0	
<input type="checkbox"/> CC&Rs	Section 4525(a)(1)	\$0	
<input type="checkbox"/> Bylaws	Section 4525(a)(1)	\$0	
<input type="checkbox"/> Operating Rules	Section 4525(a)(1)	\$0	
<input type="checkbox"/> Age restrictions, if any	Section 4525(a)(2)	\$0	
<input type="checkbox"/> Rental restrictions, if any	Section 4525(a)(9)	\$0	
<input type="checkbox"/> Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$0	
<input type="checkbox"/> Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0	
<input type="checkbox"/> Financial statement review	Sections 5305 and 4525(a)(3)	\$0	
<input type="checkbox"/> Assessment enforcement Policy	Sections 5310 and 4525(a)(4)	\$0	
<input type="checkbox"/> Insurance summary	Sections 5300 and 4525(a)(3)	\$0	
<input type="checkbox"/> Regular assessment	Section 4525(a)(4)	\$0	
<input type="checkbox"/> Special assessment	Section 4525(a)(4)	\$0	

<input type="checkbox"/>	Emergency assessment	Section 4525(a)(4)	\$0
<input type="checkbox"/>	Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	\$0
<input type="checkbox"/>	Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	\$0
<input type="checkbox"/>	Settlement notice Regarding common area defects	Sections 4525(a)(6), (7) and 6100	\$0
<input type="checkbox"/>	Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	\$0
<input type="checkbox"/>	Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$0
<input type="checkbox"/>	Required statement of fees	Section 4525	
<input type="checkbox"/>	Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$0

**Total fees for these documents:** **\$0**

\* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

## ANNUAL POLICY STATEMENT DISCLOSURES

Capitalized terms used herein without definition shall have the meaning given to such terms in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Grand Residence Club at Lake Tahoe.

### **(1) Designated Contact Person for Association Communications.**

Below is the name and contact information for the person designated to receive official communications on behalf of GRCLT Condominium, Inc. (hereinafter, the "Association"), pursuant to Section 4035 of the California Civil Code. **Please submit all requests for copies of policies and meeting minutes in writing to the address below.**

Marriott Grand Residence Club – Lake Tahoe  
Attn: Sheri Runyon  
1001 Heavenly Village Way  
South Lake Tahoe, California 96150  
Email: [sheri.runyon@vacationclub.com](mailto:sheri.runyon@vacationclub.com)

### **(2) Request for Notices to Two Addresses.**

A member may submit a request to the Association to have notices sent to up to two different specified addresses pursuant to subdivision (b) of Section 4040 of the California Civil Code.

### **(3) Location for Posting General Notices.**

The following is the location for the posting of a general notice by the Association, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the California Civil Code: Marriott Grand Residence Club – Lake Tahoe, Lobby Window adjacent to the Front Desk.

### **(4) Right to Receive General Notices by Individual Delivery.**

An Owner may request to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the California Civil Code, by submitting a written request to the Association.

### **(5) Right to Receive Meeting Minutes.**

An Owner is entitled to receive copies of meeting minutes, pursuant to subdivision (b) of Section 4045 of the California Civil Code. Any such request should be made in writing to the address provided above.

### **(6) Statement of Assessment Collection Policies.**

#### **NOTICE ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the association that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

#### **ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay Association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action,

known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, Association(s) may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an Association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the Association(s) may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code) If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

## **PAYMENTS**

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

### **(7) Statement of Policies and Practices in Enforcing Lien Rights and Other Legal Remedies.**

California Civil Code Section 5310(a)(7) requires that each association describe its current policies and practices for enforcing lien rights or other legal remedies for default in payment of its assessments. We certainly encourage and appreciate prompt payment to avoid our valued Owners being subject to the actions described below.

Assessments and other amounts payable to the Association by the Owners are deemed delinquent if not paid within 15 days of the date due and shall bear interest at a rate of 12% per annum and be subject to a late fee equal to the lesser of \$25 or 10% of the delinquent amount. The Association is also entitled to receive its costs of collection from the delinquent Owner. If such delinquency is not paid within 10 days of the delivery by the Association to the Owner of a written demand for payment of such delinquency or within 100 days after the date of delinquency if no written demand is made, the Association may elect to pursue recordation of a notice of delinquent assessment and claim of lien on behalf of the Association and thereafter seek foreclosure of the Association's lien, subject to the Association's compliance with the applicable statutory requirements, including providing at least 30 days' notice prior to such recordation. The Association also has the right to pursue other legal remedies, including, but not limited to, suspension of an owner's privileges and/or the owner's right to participate in any vote in accordance with the terms and conditions set forth in the governing documents for the Association. For example, the governing documents of GRCLT Condominium, Inc. provide that all Owners may be refused occupancy of their unit if their assessments are delinquent.

First Amended Bylaws of GRCLT Condominium, Inc. Article 3 Membership Assessments and Lien Rights. Section 3.2 ENFORCEMENT; LIEN RIGHTS. For the purpose of enforcing and collecting Assessments, this Association shall have the lien rights set forth in Article 7 of the Declaration, which lien rights shall be enforceable by the Board in the manner set forth in Article 8 of the Declaration. The Board shall also have and be entitled to exercise all other rights and



remedies set forth in the Declaration or otherwise provided for at law or in equity. We encourage you to review the provisions of the Bylaws and Declaration for further detail regarding the enforcement powers and remedies afforded to each Association.

**(8) Statement of Association's Discipline Policy and Schedule of Penalties for Violations of Governing Documents.**

The Board of the Association expects all owners and their guests to adhere to the covenants, agreements and requirements set forth in the governing documents, including the Rules and Regulations and Declaration. To assist the Board of Directors in the enforcement of the provisions of the governing documents, the Board has delegated enforcement authority to the Manager. Any owner or guest who has been advised by the Manager that they are in violation of the governing documents, including the Rules and Regulations and/or the Declaration, will be required to immediately cease and desist any prohibited activity or otherwise take such actions as may be needed to correct such violation. If an owner or his guest, after being notified by the Manager that they are in violation of the governing documents, fails to comply with the Manager's direction, the matter will be referred to the Board for consideration of the assessment of penalties by reason of such person's non-compliance. The owner against whom such action is proposed to be taken has the right to appear before the Board at its next regularly scheduled meeting to contest such action, all as more particularly provided in the Bylaws and the Declaration.

Furthermore, any assessments and other amounts payable to the Association by the Owners are deemed delinquent if not paid within 15 days of the date due and shall bear interest at a rate of 12% per annum and be subject to a late fee of the lesser of \$25 or 10% of the delinquent amount.

Second Amendment to Marriott Grand Residence Condominium Property Lake Tahoe Vacation Ownership Plan Second Amended and Restated Rules and Regulations - NON-SMOKING POLICY. Smoking is prohibited everywhere on the Condominium Property, including within the Units. Failure to comply with this Non-Smoking Policy by an Owner or the Owner's guests, family or invitees may result in a cleaning fee in an amount equal to the lesser of \$250.00 or the maximum amount permitted by applicable law, which shall be a personal charge assessed to the Owner following any applicable procedural requirements. As used in these Plan Rules, the term "smoking" shall include the use of tobacco products, electronic cigarettes, vaporizers and other alternative nicotine products.

Marriott Grand Residence Condominium Property Lake Tahoe Vacation Ownership Plan Second Amended and Restated Rules and Regulations – X. Violations of These Plan Rules. 1.

VIOLATIONS. The failure by an Owner or Permitted User to abide by, and comply with, these Plan Rules or the other Governing Instruments may result in the imposition of fines or other penalties and/or the suspension of such Owner or Permitted User's rights and privileges as an Owner or Permitted User, including a suspension of such Owner or Permitted User's use and exchange privileges. Violations shall be reported in writing to the Managing Agent or President of the Association. Violations will be called to the attention of the violating Owner by the Managing Agent or President of the Association and by the appropriate committee or member of the Board if follow-up action is necessary. Violations needing follow-up action will be presented to and judged by the Board for appropriate action at its next regularly scheduled meeting or at a special meeting called for this purpose.

Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Grand Residence Club at Lake Tahoe. Article VII. Assessments and Personal Charges for Residential Condominiums. 7.9 PERSONAL CHARGES.

(a) Personal Charges are not Assessments and the remedies available to the Association against any Residential Owner for nonpayment of such Residential Owner's Personal Charges are those remedies provided in Section 8.1 and subsection 8.2(a) of the Declaration.

**(9) Summary of Dispute Resolution Procedures.**

Pursuant to Sections 5310(a)(9) and 5920 of the Davis-Stirling Common Interest Development Act:

(a) Either party to a dispute within the scope of Article 2 of the Davis-Stirling Common Interest Development Act (as described in Section 5900 of the Civil Code) may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association shall not refuse a request to meet and confer.

(3) The board shall designate a director to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(b) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.

(c) A member shall not be charged a fee to participate in the process.

Pursuant to Sections 5310(a)(9) and 5965 of the Davis-Stirling Common Interest Development Act, below is a summary of Article 3 of the Act with respect to alternative dispute resolution as a prerequisite to the filing of a civil action.

Neither an association nor a member may file an enforcement action in superior court for declaratory, injunctive or writ relief or for such relief in connection with a claim for monetary damages not in excess of the jurisdictional limits unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to Article 3 of the Davis-Stirling Common Interest Development Act. The provisions of this Article do not apply to a small claims action or to an assessment dispute. Any party to a dispute may initiate the process by serving a Request for Resolution on the other party which includes the items described in Section 5935 of the Civil Code including a brief description of the dispute and a request for alternative dispute resolution. If the party served fails to respond within 30 days of receipt, the request is deemed rejected. If the party served accepts the request, the parties must complete the alternative dispute resolution within 90 days of the initiating party's receipt of such acceptance, unless otherwise extended by written stipulation signed by the parties. At the time of commencement of an enforcement action, the party commencing the action is required to file a certificate with the initial pleading stating that (i) alternative dispute resolution has been completed in compliance with Article 3; (ii) one of

the other parties did not accept the terms offered for alternative dispute resolution; and/or (iii) preliminary or temporary injunctive relief is necessary. After an enforcement action is commenced, the matter may still be referred to dispute resolution by written stipulation of the parties. If attorneys' fees may be awarded, the court may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

**(10) Summary of Requirements for Association Approval of Physical Changes to the Property.**

Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Grand Residence Club at Lake Tahoe., Article XII. Architectural Control. Section 12.2(a) GENERAL PROVISIONS. (a) The Architectural Committee may establish reasonable procedural rules in connection with review of plans and specifications including, without limitation, the number of sets of plans to be submitted; however, the Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.

Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Grand Residence Club at Lake Tahoe., Article XII. Architectural Control Section 12.3 APPROVAL AND CONFORMITY OF PLANS. Except as required to prevent damage or injury to persons or property in an emergency, no improvements, alterations or repairs to the Common Area shall be commenced, constructed or otherwise performed nor shall there be any improvement, alteration or repair to any Non-Dedicated Residential Unit as described in subsection (c), below (collectively, "**Improvements**") except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee. The Board may, from time to time, adopt and promulgate architectural standards (the "**Architectural Standards**") to be administered through the Architectural Committee; provided, however, that in no case shall the Architectural Standards require Architectural Committee review for any improvements, alterations or repairs to the Condominium Units performed by Declarant, the Association or, with respect to the Commercial Units, the Commercial Owners (except as otherwise provided in Articles XI and XII of this Declaration), so long as such improvements, alterations or repairs are limited to such Units and do not impact any Common Area and do not fall within the scope of Section 12.3(c) of the Declaration.

**(11) Mailing Address for Overnight Payment of Assessments.**

In accordance with Section 5655 of the California Civil Code, an Owner may direct overnight payments of Assessments to the following address:

Marriott Resorts Hospitality Corporation

Attn: 382056

500 Ross Street 154-0460

Pittsburgh, Pennsylvania 15250-8056

**Note: This summary is not intended to contain all matters relating to California Civil Codes which are described herein, and care should be taken to review the entire California Civil Codes.**

## Assessment and Reserve Funding Disclosure Summary

**Association name:** GRCLT Condominium, Inc. Common Reserve Fund

**For Fiscal Year Beginning:** 1/1/2019      **# of Ownership Interests:** 199

1) Regular budgeted assessments:	Total	Per Ownership Interest
Reserve Contributions	\$498,285	\$2,503.94
<b>Total Assessment Income</b>	<b>\$8,712,093</b>	<b>\$43,779.36</b>

per: Year  
per: Year

2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment will be due	Amt per Ownership Interest per month or year	Purpose of Assessment
N/A		
N/A		
Total:		\$0.00

3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due	Amt per Ownership Interest per month or year	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

5) All major components are included in the reserve study and are included in its calculation.

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code:

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance:	\$10,175,954
Projected Reserve Fund Balance:	\$2,523,099
Percent Funded:	24.8%

From the 6/6/2017 Reserve Study by Armstrong Consulting, Inc. and any minor changes since that date.

7) See attached 30 Year Reserve Plan Summary Table, showing the fiscal year, projected reserve funding, estimated reserve expenses and interest, reserve balances and percent funded which is based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code.

Note: The financial representations set forth in this summary is based on the best estimates of the preparer at that time. The estimates are subject to change.

# GRCLT Condominium, Inc. Common Reserve Fund

30 Year Reserve Plan Summary

Recommended

Fiscal Year Beginning 1/1/2019

<u>Period</u>	<u>Beginning Balance</u>	<u>Income</u>	<u>Special Assessment/Loans</u>	<u>Expenses</u>	<u>Interest</u>	<u>Ending Balance</u>	<u>Avg. Fee/Unit-Week</u>	<u>% Fee Change</u>	<u>Fully Funded Balance</u>	<u>Percent Funded</u>
FY2019	2,523,099	498,285	0	(136,061)	35,603	2,920,926	48.15	15.0%	10,175,954	28.7%
FY2020	2,920,926	573,027	0	(126,874)	41,524	3,408,603	55.38	15.0%	11,069,123	30.8%
FY2021	3,408,603	658,981	0	(419,028)	45,249	3,693,806	63.68	15.0%	11,709,727	31.5%
FY2022	3,693,806	757,829	0	(1,166,822)	41,391	3,326,204	73.23	15.0%	11,621,525	28.6%
FY2023	3,326,204	909,395	0	(655,883)	44,377	3,624,092	87.88	20.0%	12,080,597	30.0%
FY2024	3,624,092	1,091,273	0	(4,623,474)	4,838	96,728	105.46	20.0%	8,418,322	1.1%
FY2025	96,728	1,254,964	0	(37,898)	15,112	1,328,906	121.28	15.0%	9,518,864	14.0%
FY2026	1,328,906	1,380,461	0	(694,291)	24,476	2,039,552	133.40	10.0%	10,003,102	20.4%
FY2027	2,039,552	1,518,507	0	(1,986,997)	20,082	1,591,143	146.74	10.0%	9,197,636	17.3%
FY2028	1,591,143	1,670,358	0	(3,198,719)	2,380	65,163	161.42	10.0%	7,148,164	0.9%
FY2029	65,163	1,670,358	0	(1,393,325)	3,978	346,173	161.42	0.0%	6,925,842	5.0%
FY2030	346,173	1,169,250	0	(104,310)	16,485	1,427,598	112.99	-30.0%	8,054,486	17.7%
FY2031	1,427,598	1,169,250	0	(503,239)	25,413	2,119,022	112.99	0.0%	8,836,942	24.0%
FY2032	2,119,022	1,169,250	0	(1,116,951)	27,023	2,198,345	112.99	0.0%	9,042,522	24.3%
FY2033	2,198,345	1,169,250	0	(44,701)	40,264	3,363,157	112.99	0.0%	10,391,416	32.4%
FY2034	3,363,157	1,169,250	0	(1,118,007)	42,526	3,456,927	112.99	0.0%	10,708,981	32.3%
FY2035	3,456,927	1,169,250	0	(152,482)	54,728	4,528,422	112.99	0.0%	12,065,285	37.5%
FY2036	4,528,422	1,169,250	0	(354,413)	65,868	5,409,128	112.99	0.0%	13,290,260	40.7%
FY2037	5,409,128	1,169,250	0	(1,153,507)	67,636	5,492,507	112.99	0.0%	13,763,716	39.9%
FY2038	5,492,507	1,169,250	0	(1,084,584)	75,469	5,652,641	112.99	0.0%	14,374,724	39.3%
FY2039	5,652,641	1,169,250	0	(290,098)	80,537	6,612,331	112.99	0.0%	15,846,933	41.7%
FY2040	6,612,331	1,169,250	0	(185,843)	93,696	7,689,434	112.99	0.0%	17,510,885	43.9%
FY2041	7,689,434	1,169,250	0	(728,350)	100,930	8,231,264	112.99	0.0%	18,707,371	44.0%
FY2042	8,231,264	1,169,250	0	(8,976,150)	13,451	437,816	112.99	0.0%	11,447,135	3.8%
FY2043	437,816	1,169,250	0	(1,262,650)	8,266	352,681	112.99	0.0%	11,966,050	2.9%
FY2044	352,681	1,169,250	0	(1,147,101)	4,651	379,481	112.99	0.0%	12,654,215	3.0%
FY2045	379,481	1,169,250	0	(61,585)	17,388	1,504,535	112.99	0.0%	14,526,429	10.4%
FY2046	1,504,535	1,169,250	0	(780,298)	23,322	1,916,809	112.99	0.0%	15,761,493	12.2%
FY2047	1,916,809	1,169,250	0	(506,863)	31,472	2,610,668	112.99	0.0%	17,363,049	15.0%
FY2048	2,610,668	1,169,250	0	(223,866)	43,358	3,599,410	112.99	0.0%	19,353,662	18.6%

**Long Term before tax interest Rate:**

1.98%

**Long Term Inflation Rate:**

3.00%

The foregoing financial projections apply only as of the date of this report. These projections are subject to risks, uncertainties, estimates and assumptions based on information currently available. Some assumptions and estimates inevitably will not be accurate, and unanticipated events may occur. Therefore, actual financial results will vary, and such variations may be material. The Board of Directors should not place undue reliance on these projections in making budgeting or other financial decisions for the Association. Neither the management company nor any of its affiliates assumes any liability, or extends any guarantee or warranty, express or implied, with respect to these financial projections or actual results achieved.

## Assessment and Reserve Funding Disclosure Summary

**Association name:** GRCLT Condominium, Inc. Fractional Reserve Fund

**For Fiscal Year Beginning:** 1/1/2019      **# of Ownership Interests:** 199

1) Regular budgeted assessments:	Total	Per Ownership Interest
Reserve Contributions	\$2,510,047	\$12,613.30
Total Assessment Income	\$8,712,093	\$43,779.36

per: Year  
per: Year

2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment will be due	Amt per Ownership Interest per month or year	Purpose of Assessment
N/A		
N/A		
Total:		\$0.00

3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due	Amt per Ownership Interest per month or year	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

5) All major components are included in the reserve study and are included in its calculation.

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code:

All computations/disclosures are based on the fiscal year start date of:	1/1/2019
Fully Funded Balance:	\$31,923,963
Projected Reserve Fund Balance:	\$12,399,739
Percent Funded:	38.8%

From the 6/6/2017 Reserve Study by Armstrong Consulting, Inc. and any minor changes since that date.

7) See attached 30 Year Reserve Plan Summary Table, showing the fiscal year, projected reserve funding, estimated reserve expenses and interest, reserve balances and percent funded which is based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code.

Note: The financial representations set forth in this summary is based on the best estimates of the preparer at that time. The estimates are subject to change.

# GRCLT Condominium, Inc. Fractional Reserve Fund

30 Year Reserve Plan Summary

Recommended

Fiscal Year Beginning 1/1/2018

<u>Period</u>	<u>Beginning Balance</u>	<u>Income</u>	<u>Special Assessment/Loans</u>	<u>Expenses</u>	<u>Interest</u>	<u>Ending Balance</u>	<u>Avg. Fee/Unit-Week</u>	<u>% Fee Change</u>	<u>Fully Funded Balance</u>	<u>Percent Funded</u>
FY2019	12,399,739	3,073,591	0	(74,540)	236,455	15,635,245	297.02	3.4%	31,923,963	49.0%
FY2020	15,635,245	3,210,363	0	(5,861,045)	206,498	13,191,061	310.24	4.4%	30,401,651	43.4%
FY2021	13,191,061	3,353,637	0	(4,318,790)	192,313	12,418,221	324.09	4.5%	31,140,362	39.9%
FY2022	12,418,221	3,503,731	0	(232,187)	240,640	15,930,405	338.59	4.5%	35,740,418	44.6%
FY2023	15,930,405	3,660,977	0	(158,054)	298,776	19,732,103	353.79	4.5%	40,671,983	48.5%
FY2024	19,732,103	3,825,724	0	(1,637,220)	349,380	22,269,987	369.71	4.5%	44,327,410	50.2%
FY2025	22,269,987	3,998,344	0	(2,266,365)	375,015	24,376,981	386.39	4.5%	47,520,038	51.3%
FY2026	24,376,981	4,179,222	0	(19,318,252)	165,113	9,403,064	403.87	4.5%	33,387,478	28.2%
FY2027	9,403,064	4,333,445	0	(13,684,427)	13,064	65,147	418.77	3.7%	24,761,851	0.3%
FY2028	65,147	4,493,578	0	(2,112,988)	35,563	2,481,299	434.25	3.7%	27,931,036	8.9%
FY2029	2,481,299	4,659,851	0	(7,015,894)	13,275	138,530	450.31	3.7%	26,234,998	0.5%
FY2030	138,530	4,832,506	0	(1,722,192)	46,641	3,295,485	467.00	3.7%	30,043,422	11.0%
FY2031	3,295,485	5,011,791	0	(4,312,432)	61,446	4,056,289	484.32	3.7%	31,442,009	12.9%
FY2032	4,056,289	5,197,970	0	(6,090,782)	50,553	3,214,030	502.32	3.7%	31,199,026	10.3%
FY2033	3,214,030	5,391,308	0	(4,008,227)	70,467	4,667,577	521.00	3.7%	33,247,397	14.0%
FY2034	4,667,577	5,592,087	0	(2,574,890)	127,345	7,812,120	540.40	3.7%	36,980,853	21.1%
FY2035	7,812,120	5,800,604	0	(2,333,009)	174,781	11,454,496	560.55	3.7%	41,198,139	27.8%
FY2036	11,454,496	6,017,155	0	(1,943,202)	238,507	15,766,956	581.48	3.7%	46,105,087	34.2%
FY2037	15,766,956	6,242,059	0	(2,273,176)	302,888	20,038,727	603.21	3.7%	50,986,697	39.3%
FY2038	20,038,727	6,475,642	0	(12,423,775)	228,109	14,318,703	625.79	3.7%	45,735,513	31.3%
FY2039	14,318,703	6,718,249	0	(9,899,741)	183,269	11,320,480	649.23	3.7%	43,104,975	26.3%
FY2040	11,320,480	6,970,232	0	(2,185,981)	245,136	16,349,867	673.58	3.8%	48,507,644	33.7%
FY2041	16,349,867	7,231,959	0	(9,140,952)	228,585	14,669,459	698.88	3.8%	47,100,866	31.1%
FY2042	14,669,459	7,503,811	0	(7,754,649)	225,774	14,644,395	725.15	3.8%	47,275,774	31.0%
FY2043	14,644,395	7,786,191	0	(95,742)	338,585	22,673,427	752.43	3.8%	55,546,357	40.8%
FY2044	22,673,427	8,079,510	0	(8,385,962)	350,230	22,717,205	780.78	3.8%	55,735,946	40.8%
FY2045	22,717,205	8,384,200	0	(9,402,977)	344,020	22,042,448	810.22	3.8%	55,104,845	40.0%
FY2046	22,042,448	8,700,707	0	(12,123,551)	297,077	18,916,681	840.81	3.8%	51,869,912	36.5%
FY2047	18,916,681	9,029,497	0	(5,275,743)	348,981	23,019,416	872.58	7.7%	55,815,321	41.2%
FY2048	23,019,416	9,371,054	0	(3,675,661)	441,268	29,156,077	905.59	7.7%	55,815,321	52.2%

**Long Term before tax interest Rate:**

2.47%

**Long Term Inflation Rate:**

3.00%

The foregoing financial projections apply only as of the date of this report. These projections are subject to risks, uncertainties, estimates and assumptions based on information currently available. Some assumptions and estimates inevitably will not be accurate, and unanticipated events may occur. Therefore, actual financial results will vary, and such variations may be material. The Board of Directors should not place undue reliance on these projections in making budgeting or other financial decisions for the Association.

Neither the management company nor any of its affiliates assumes any liability, or extends any guarantee or warranty, express or implied, with respect to these financial projections or actual results achieved.



SCHEDULE OF INSURANCE

**Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS**

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<p><b>COMMERCIAL PROPERTY</b> Real and Personal Property, Business Income Including Extra Expense</p>	<p><b>Maximum Limit of Liability – Any One Occurrence, Except as Sub-limited</b></p> <p><u>Sublimits</u> Earthquake - Annual Aggregate Flood – Annual Aggregate Named Windstorm</p> <p>Perils: All Risk of Direct Physical Loss or Damage including Boiler &amp; Machinery</p>	<p>\$ 500,000,000</p> <p>\$ 200,000,000 \$ 250,000,000 \$ 250,000,000</p>	<p>June 1, 2018 – June 1, 2019</p> <p>Multiple carriers provide the coverage under a Layered Participation Program.</p> <p>A list of participating carriers is available upon request.</p>	<p>All perils - \$25,000, Except:</p> <ul style="list-style-type: none"> <li>▪ CA Earthquake: 5%, \$250,000 minimum</li> <li>▪ Flood Zones A or V, 3% \$500,000 minimum,</li> </ul>
<p><b>GENERAL LIABILITY</b></p>	<p>General Aggregate Products – Comp. Ops. Aggregate Personal &amp; Adv. Injury Each Occurrence Fire Damage (Any one fire) Medical Expenses (Any one person)</p>	<p>\$ 15,000,000 \$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 2,500</p>	<p>October 1, 2018 – October 1, 2019 Liberty Mutual Ins. Co. Policy No. TB2651283929128</p>	<p>BI/PD Liability Combined - \$500 Per Occurrence</p>

Property coverage excludes unit owner’s and tenant’s personal property, improvements and betterments. Coverage applies to the condominium property, including common elements and limited common elements, as required under the condominium documents.

Liability coverage applies to the areas owned by the Condominium Association including the common elements and limited common elements (or similarly defined terms) as outlined in the condominium documents. Coverage does not apply under any circumstances for an individual Owner’s negligent or willful acts or the actions of the Owner’s renters, guests or invitees including but not limited to damage caused by the renters, guests or invitees.

Please refer to the condominium documents for detailed information on the areas covered.

All insurance coverage references and descriptions contained in this Account Summary are intended only to identify the types of coverages and generally describe specific coverage features of your insurance policies. Refer to policies for actual coverage terms and conditions. *This summary contains confidential and proprietary information. Do not copy or distribute this information without prior consent of the MVCI Insurance Department.*

**SCHEDULE OF INSURANCE**

**Insured: MARRIOTT OWNERSHIP RESORTS, INC. CALIFORNIA LOCATIONS**

Coverage	Perils/Hazards Insured	Limit or Amount	Policy Term Company/Policy No.	Deductibles
<u><b>AUTO LIABILITY</b></u>	Combined Single Limit (BI/PD) Medical Payments	\$ 2,000,000 \$ 5,000	October 1, 2018 – October 1, 2019 Liberty Mutual Ins. Co. Policy No. AS2651283929118	Physical Damage - \$500
<u><b>EXCESS LIABILITY</b></u>	Limit of Liability	\$ 25,000,000	October 1, 2018 – October 1, 2019 American Guarantee & Liability Ins Co Policy No. AUC-9318982-07	

Property coverage excludes unit owner’s and tenant’s personal property, improvements and betterments. Coverage applies to the condominium property, including common elements and limited common elements, as required under the condominium documents.

Liability coverage applies to the areas owned by the Condominium Association including the common elements and limited common elements (or similarly defined terms) as outlined in the condominium documents. Coverage does not apply under any circumstances for an individual Owner’s negligent or willful acts or the actions of the Owner’s renters, guests or invitees including but not limited to damage caused by the renters, guests or invitees.

Please refer to the condominium documents for detailed information on the areas covered.

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