

June 4, 2019

Dear Member:

These minutes are being distributed to Members as outlined in the Bylaws, Article 6. Directors, Section 6.17 Minutes of Meetings.

For questions related to the minutes, please contact me via email at Gregory.Campbell@vacationclub.com.

Sincerely,

Greg Campbell
General Manager
Marriott Grand Residence Club

GRCLT Condominium, Inc.

Board of Directors Meeting

April 23, 2019

A regular meeting of GRCLT Condominium, Inc., Board of Directors was held on April 23, 2019, 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; Lewis Feldman, Director; Gary Giboney, Treasurer; James McBee, Secretary; John Albert, Director and James Ray Newlon, Director

Guests present were: Robert Heidt, RSM; Jillian VanDresser and Julia Essien, VanDresser Company

Present from Marriott Vacation Club® International, representing the Management Company, were: Mark Adams, Senior Project Director; Greg Campbell, General Manager; Daniel Hicks, Owner Services General Manager; Jennifer Kammerer, Market Director of Finance-Southwest; Tom McCormack, Regional Director-Resort Operations Americas, West; Manuel Sanchez, Director of Room Operations and Shaneen Murdock, Executive Assistant

Owner present was: Tim Golobic

CALL TO ORDER

David Bier, President, called the meeting to order at 9:00 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. Bier announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Bier appointed Shaneen Murdock to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board Meeting was mailed to each Board Member on December 11, 2018, as required by the Association Bylaws.

APPROVAL OF AGENDA

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

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

A motion was made by James Ray Newlon to approve the January 29, 2019 Board of Directors Meeting Minutes with the following correction under 2018 Financial Review: the 2018 Operating Fund year-end balance reflected a deficit of \$109,101. The motion was seconded by Lewis Feldman and unanimously carried.

FINANCIAL REPORT

2018 Audited Financials

Robert Heidt presented the 2018 Audited Financials. Highlights included:

- 2018 audited Operating Fund reflected a deficit of \$116,684; overage was due to Maintenance and Resort Activities
- In 2018, the Board approved a transfer of \$480,000 from the Operating Fund to the Reserve Fund
- Life-to-date Operating Fund balance has a surplus of \$161,055 or 3% of the annual Operating budget
- The audit received the highest level of assurance from RSM

A motion was made by Gary Giboney to accept the GRCLT Condominium, Inc., 2018 Audited Financials as presented. The motion was seconded by Jim McBee and unanimously carried.

2019 Financial Review

Alberto Valdez presented a review of 2019 financials through March 31, 2019. Highlights included:

- Proposals received from potential Investment Advisors will be provided to the Finance Committee for review and consideration
- Key Operating Fund variances included Utilities and Operating expenses

Ratification of Review of Financial Statements

Jennifer Kammerer discussed the requirement to ratify the review of monthly financial statements by the Board of Directors. Highlights included:

- Required financial reports are uploaded into BoardVantage for monthly review by the Board Treasurer and at least one other member of the Board
- Ratification of review of financial statements will be a standing item for each Board of Directors Meetings to comply with California Civil Code Section 5501

A motion was made by James Ray Newlon to ratify the GRCLT Condominium, Inc., Board of Directors review of January, February and March operating accounts, reserve accounts, actual operating revenues and expenses compared to budget, account statements, income and expense statements, check register, monthly general ledger, and delinquent assessment receivable reports in accordance with California Civil Code Section 5501. The motion was seconded by Lewis Feldman and unanimously carried.

Accounts Receivable

Mr. Valdez and Ms. Kammerer reviewed Accounts Receivable. Highlights included:

- First Quarter outstanding maintenance fees were 47.8%, compared to 48.7% in 2018
- Outstanding 2019 accounts receivables for commercial entities, including Trans Sierra Investments and Goodhue, were reviewed
- The annual maintenance fee billing and collection timelines were reviewed

Recording of Liens

Ms. Kammerer reviewed recording of liens. Highlights included:

- Exhibit A regarding liens to be filed

A motion was made by Lewis Feldman to approve the recordation of a lien against the units set forth on Exhibit A, as presented to the Board and to be attached to the minutes of record for this meeting, and to authorize the Management Company to take action to record such liens, or cause such liens to be recorded, on behalf of GRCLT Condominium, Inc. The motion was seconded by John Albert and unanimously carried.

Reserves

Greg Campbell presented an update on Reserve Projects. Highlights included:

- Completed Reserve projects include:
 - Garage exit gate arm/operator was replaced
 - Roof-low slope membrane #20 was replaced
- Reserve Projects in progress include:
 - Replace ice machines
 - Replace parking garage sweeper
 - Repaint balcony railings
 - Replace domestic hot water recirculation balancing valve
 - Replace hot water mixing valve
 - Replace hot water generator
 - Refurbishment Project Management

RECESS

The meeting recessed at 9:59 a.m.

RECONVENE

The meeting reconvened at 10:05 a.m., with all attendees present.

2020/2021 REFURBISHMENT

Mark Adams reviewed the 2020/2021 refurbishment. Highlights included:

- Jillian Van Dresser and Julia Essien presented a design concept overview
- Refurbishment projects in progress with expected completion before July 4, 2019

RESORT OPERATIONS REPORT

Manuel Sanchez presented the resort operations report. Highlights included:

- First Quarter Guest Satisfaction Scores: Villa Cleanliness 91.0%, Everything in Working Order 87.6% and Front Desk Friendliness 92.3%
- Resort activities were reviewed

ACTION ITEMS

Mr. Campbell reviewed Action Items from the January 29, 2019 Board Meeting. Highlights included:

- The Second Amended and Restated Rules and Regulations were reviewed and it was determined the Management Company may change the maximum overnight occupancy

ANNOUNCEMENT OF NEXT MEETING DATES

- Board Meeting - July 23, 2019
- Finance Committee Meeting - October 9, 2019
- Finance Committee Meeting - October 16, 2019
- Board and Annual Meetings - October 22, 2019

NEW BUSINESS

- Mr. Campbell stated an evaluation of one of the boilers is necessary to determine the remaining life. The boiler is scheduled to be replaced in 2027. Mr. Campbell recommended MSS Solutions, LLC complete the evaluation.
- Mr. Campbell stated the vacant space above Driftwood Café, CU15, is under construction. Completion of construction is estimated in July 2019. The space will result in additional revenue and maintenance fees.
- Mr. Valdez proposed the Investment Committee meet on May 16, 2019.

A motion was made James McBee to approve an amount not to exceed \$26,000 from the Common Area Reserve Fund for MSS Solutions, LLC to complete an evaluation of one boiler and to provide scope of work for replacing one boiler. The motion was seconded by John Albert and unanimously carried.

ADJOURNMENT

There being no further business to come before the Board, a motion was made by James Ray Newlon to adjourn the meeting at 11:01 a.m. The motion was seconded by Lewis Feldman and unanimously carried.

Submitted by:

Approved by:

Shaneen Murdock
Recording Secretary

Date

David Bier
President

Date

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

04.23.19 Board of Directors Meeting