

February 26, 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, please contact me via email at Greg.Campbell@vacationclub.com.

Sincerely,

Greg Campbell

General Manager
Marriott Grand Residence Club, Lake Tahoe

GRCLT Condominium, Inc.

Board of Directors Meeting

January 29, 2019

A regular meeting of GRCLT Condominium, Inc., Board of Directors was held on January 29, 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; Gary Giboney, Treasurer; James McBee, Secretary; John Albert, Director and James Ray Newlon, Director

Absent from the Board of Directors was: Lewis Feldman, Director

Present from Marriott Vacation Club® International, representing the Management Company, were: 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; Manuel Sanchez, Director of Room Operations; Samantha Hynes, Association Governance Manager-West; Jennifer Alberico, Customer Services Manager; Pat Platts, Grand Residence Club Customer Services Specialist; Alberto Valdez, Director of Finance; Bill Whelihan, Vice President of Customer Experience; Mark Adams, Senior Director of Refurbishment Program Management and Shaneen Murdock, Executive Assistant

Owners present were: Melissa Anaya, Austin Sass, and Cathleen and Charles Smothers

CALL TO ORDER

David Bier, President, called the meeting to order at 9:01 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 the majority of Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Bier appointed Samantha Hynes to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board Meeting was emailed to each Board Member on November 20, 2018, as required by the Association Bylaws.

APPROVAL OF AGENDA

A motion was made by James McBee 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 Deatherage to approve the October 22, 2018 Board and Organizational Meeting Minutes as presented. The motion was seconded by Gary Giboney and unanimously carried.

A motion was made by Gary Giboney to accept the October 17, 2018 and October 10, 2018 Finance Committee Meeting Minutes as presented. The motion was seconded by James Ray Newlon and unanimously carried.

FINANCIAL REPORT

2018 Financial Review

Jennifer Kammerer presented a review of the 2018 finances. Highlights included:

- Operating Fund year-end balance was \$109,101 over budget. Variances included:

- Repairs and Maintenance was over budget in the amount of \$71,000
- Activities was over budget in the amount of \$55,000
- Refuse Collection was over budget in the amount of \$15,000.
- Gas was under budget in the amount of \$38,000.
- Operating Fund life-to-date has a positive balance of \$168,638 or 3% of the annual Operating budget.
- In 2019, the Finance Committee will review the balance sheet, Operating income statement, Reserves income statement, check register, monthly general ledger, accounts receivable summary and bank statements on a monthly basis

Accounts Receivable

Ms. Kammerer reviewed Accounts Receivable. Highlights included:

- GRCLT Condominium, Inc., year-end unpaid maintenance fees were a record low of 1.28% outstanding or \$156,008, compared to 2.0% or \$241,540 in 2017
- Details of 2018 outstanding maintenance fees were reviewed
- 2019 collections timeline was reviewed and included communication to Owners and critical dates; Board must approve specific liens at Board Meetings
- Commercial Entities, including Trans Sierra Investments and Goodhue, outstanding 2018 accounts receivables were reviewed

Reserves

Ms. Kammerer reviewed the Reserve Projects. Highlights included:

- Majority of Common Area and Fractional Area Reserve Projects completed in 2018 were under budget
- 2018 Reserve Projects in progress and to be completed in 2019 include:
 - Replace roof, low slope membrane #20
 - Replace hot water generator
 - Replace domestic hot water recirculation balancing valve
 - Replace hot water mixing valve
 - Refurbishment Project Management

A motion was made by Gary Giboney to approve the Emergency Fund expenditure in the amount of \$16,219 from the GRCLT Condominium, Inc., 2018 Common Area Reserve Fund for front drive landscaping and hardscape enhancements. The motion was seconded by James Ray Newlon and unanimously carried.

A motion was made by Gary Giboney to allow the General Manager to expend funds from the Fractional or Common Reserves Funds for projects of an emergency or urgent need up to \$20,000 per incident. Reserve Funds expended by the General Manager will be discussed immediately with the Board President and reviewed with the Board of Directors at the next Board Meeting. The motion was seconded by John Albert and unanimously carried.

RESORT OPERATIONS REPORT

Manuel Sanchez presented the Resort Operations report. Highlights included:

- At year-end, Overall Guest Satisfaction Score was 87.1%, compared to 88.7% due to implementation of a new valet parking company, the pool enhancement project and turnover in Front Office management; Owner Satisfaction Score was 89%
- 2018 Guest Satisfaction Scores include Villa Cleanliness 91.8%, Everything in Working Order 90%, Service Index 88.7% and Resort Experience 86.7%
- Occupancy in 2018 was 84%, compared to 89% in 2017
- Keys to success in 2019 are to maintain resort and product upgrades through regular inspections, associate engagement and retention, enhanced service levels and strong service recovery processes
- Resort activities were reviewed

2020/2021 REFURBISHMENT

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

- Condition of villas and public space were reviewed

