

June 13, 2018

Dear Marriott Grand Residence Club® at Lake Tahoe 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 24, 2018

A regular meeting of GRCLT Condominium, Inc., Board of Directors was held via conference call on April 24, 2018, hosted from 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; Gary Giboney, Treasurer; James McBee, Secretary; James Ray Newlon, Director; John Albert, Director and Lewis Feldman, Director

Absent from the Board of Directors was: James Deatherage, Vice President

Present from Marriott Vacation Club® International, representing the Management Company, were: Mark Adams, Senior Project Director; Greg Campbell, General Manager; Mike Covello, Vice President of Resort Renovations; Jennifer Kammerer, Market Director of Finance-Southwest; Melissa Reynolds, Senior Assistant Controller; Manuel Sanchez, Director of Room Operations; Patricia Schille, General Manager, Marriott's Timber Lodge; Vakhid Shimanski, Director of Finance; Bob Spear, Regional Director of Operations-West and Sheri Runyon, Executive Assistant

Guest present was: Robert Heidt, RSM

CALL TO ORDER

David Bier, President, called the meeting to order at 9:02 a.m., Pacific time.

Overview of Senate Bill Section 4900, est. seq. (Open Meeting Act) of California Civil Code
Mr. Bier reviewed the 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 Sheri Runyon to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board of Directors 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 Lewis Feldman to approve the Agenda as presented. The motion was seconded by John Albert and unanimously carried.

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES

A motion was made by Gary Giboney to approve the January 30, 2018 Board Meeting Minutes as presented. The motion was seconded by James Ray Newlon and unanimously carried.

FINANCIAL REPORT

2017 Audited Financials

Robert Heidt presented the 2017 Audited Financials. Highlights included:

- Investments were in agreement with the Investment Policy
- The audit received the highest level of assurance from RSM
- RSM proposed a 3% increase for the following year for the cost to conduct the 2018 Audit

Vakhid Shimanski further reviewed the 2017 Audited Financials. Highlights included:

- 2017 audit results for GRCLT Condominium Inc., show an Operating Fund balance of \$586,057; the variance is due to the settlement with South Tahoe Public Utility District which concluded in fall 2017

- The Board requested the Management Company send a request for proposal to several audit firms for the 2018 Audit

A motion was made by Gary Giboney to accept the GRCLT Condominium, Inc., 2017 Audited Financials as presented. The motion was seconded by John Albert and unanimously carried.

2018 Financial Review

Mr. Shimanski presented a review of the 2018 financials through March 31, 2018. Highlights included:

- The 2018 Operating Fund had a surplus of approximately \$24,000 year-to-date; key drivers included savings in Gas, Credit Card Fees and Maintenance
- The current Operating Fund balance is \$757,739; the Management Company recommends maintaining a 5% Operating Fund contingency, which is approximately \$277,500

A motion was made by Lewis Feldman to move \$130,000 from the 2018 Operating Fund to the 2018 Common Reserve Fund and \$350,000 from the 2018 Operating Fund to the 2018 Fractional Reserve Fund. The motion was seconded by Gary Giboney and unanimously carried.

Jennifer Kammerer discussed the possibility of changing the budget format prior to the October 22, 2018 Board Meeting. The Finance Sub-Committee will meet with Ms. Kammerer to discuss the details.

Accounts Receivables Report

Ms. Kammerer reviewed Accounts Receivable. Highlights included:

- 2018 First Quarter outstanding maintenance fees were 48.7%, compared to 51.2% in 2017
- 2017 outstanding maintenance fees were 1.9%

Reserves

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

- In 2017, the chiller 370-ton project was over budget due to unanticipated additional work needed to extend the useful life
- The pool deck expansion and renovation project is currently underway; pool deck furniture will be painted and refurbished to extend the life

A motion was made by Gary Giboney to approve an additional \$3,079 from the 2017 Common Reserve Fund for the chiller 370-ton project, bringing the total project budget to \$46,460. The motion was seconded by James McBee and unanimously carried.

RESORT OPERATIONS REPORT

Manuel Sanchez presented the Resort Operations report. Highlights included:

- Several departments are using the H2B and J1 Visa programs to maintain staffing levels
- First Quarter overall Guest Satisfaction Score was 88.2%

ACTION ITEMS

Mr. Campbell presented the Action Items. Highlights included:

- Marriott Risk Management will present an update on insurance premiums at the July 17, 2018 Board Meeting.

NEW BUSINESS

Ms. Kammerer presented new business. Highlights included:

Investment Policy

- The current Investment Policy was reviewed

Board Reimbursement Policy

A motion was made by James Ray Newlon to approve the current Board Reimbursement Policy. The motion was seconded by John Albert and unanimously carried.

2021-2021 Refurbishment

Mark Adams and Mike Covello presented an update on the 2020/2021 refurbishment. Highlights included:

- The last renovation took place in fall 2014 and spring 2015
- The scope of the 2020/2021 refurbishment will include a replacement of soft goods and refresh of the current interior design for 199 villas, corridors, Lobby and Owners’ Lounge
- The Board recommended the Board President sign the Letter of Authorization authorizing the agreement with Marriott Ownership Resorts, Inc.

Announcement of Next Meeting Dates

- Board Meeting – July 17, 2018
- Board and Annual Meetings – October 22, 2018
- Board Meeting – January 29, 2019
- Board Meeting – April 23, 2019
- Board Meeting – July 23, 2019
- Board and Annual Meetings – October 22, 2019

ADJOURNMENT

There being no further business to come before the Board, a motion was made by Gary Giboney to adjourn the meeting at 10:12 a.m. The motion was seconded by James 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