

March 6, 2017

Dear Marriott's Timber Lodge Owner:

Attached, please find the minutes and amendments from Timber Lodge Condominium Association and Timber Lodge Timeshare Association Special Board Meeting held on January 23, 2017.

The minutes are being distributed to Owners as outlined in the Timber Lodge Condominium Association Declaration of Conditions, Covenants and Restrictions (CC&Rs), Article VI Management, 6.2 Specific Powers and Duties of the Condominium Association, (l) Minutes, Agenda and Policies.

Please also consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an e-mail address. Examples of required mailings may include: notices of meetings, financial statements, budgets and amendments to the governing documents.

In order to receive these items by electronic transmission, Owners must first explicitly provide consent (or "opt-in"). Consent to receive required mailings by electronic transmission is effective unless it is revoked at a later time.

To opt-in, log into your Owner account on <https://owners.marriottvacationclub.com>. Click on "My Account". Under Profile, click on "Update Owner Information". Click on "Communication Settings". Under Online Owner Association Document Notification, click on "Edit Settings".

For questions, contact Patricia Schille, General Manager, by phone at 530-542-6601 or by email at Patricia.Schille@vacationclub.com.

Sincerely,

Patricia Schille
General Manager
Marriott's Timber Lodge

**Timber Lodge Condominium Association
Timber Lodge Timeshare Association**

Board of Directors Meeting

January 23, 2017

A special meeting of Timber Lodge Condominium Association and Timber Lodge Timeshare Association Boards of Directors was held concurrently on January 23, 2017, at Marriott's Timber Lodge, 4100 Lake Tahoe Boulevard, South Lake Tahoe, California 96150.

Present from each of the Boards of Directors were: David Babich, President; Candyce Beneke, Vice President; David Armitage, Treasurer; Daniel Craig, Secretary and John Albert, Director

Present from Marriott Vacation Club® International, representing the Management Company, were: Craig Chilton, Director of Finance; Meghan Dorris, Assistant Controller; Steve Habaradas, Project Manager; Patricia Schille, General Manager; Jeff Shier, Interim Director of Engineering; Bob Spear, Regional Director of Operations-West; Scott Wilkerson, Area Director of Finance-West and Sheri Runyon, Executive Assistant, acting as Recording Secretary

Guest present was: Julie Vecchio, LUP Interiors

CALL TO ORDER

David Babich, President, called the meeting to order at 9:03 a.m., Pacific time.

Mr. Babich stated the Boards designate Patricia Schille as the person present to represent the Boards of Directors at the physical location of the meeting.

A motion was made by David Armitage to confirm and ratify Patricia Schille as the person designated by the Boards, pursuant to Section 4090(b) of California Civil Code, to be present at the physical location of the Board Meetings identified in the notice of board meetings. The motion was seconded by Daniel Craig and unanimously carried.

A motion was made by John Albert Armitage to hold Timber Lodge Condominium Association and Timber Lodge Timeshare Association Boards of Directors Meetings concurrently. The motion was seconded by David Armitage and unanimously carried.

Overview of Senate Bill Section 4900, et. seq. (Open Meeting Act) of California Civil Code
Mr. Babich reminded those present of the Davis-Stirling Act – Section 4900, et. seq.

ESTABLISHMENT OF QUORUM

Mr. Babich announced with all Board Members of each Association present, quorum was met for each Association.

APPOINTMENT OF RECORDING SECRETARY

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

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETINGS

Notice of Board Meetings was emailed to each Board Member of each Association on November 4, 2016 as required by each Association Bylaws.

APPROVAL OF AGENDA

A motion was made by Daniel Craig to approve the Agenda as presented. The motion was seconded by John Albert and unanimously carried.

APPROVAL OF BOARD MEETING MINUTES

A motion was made by Candyce Beneke to approve the October 5, 2016 Timber Lodge Condominium Association and Timber Lodge Timeshare Association Board Meeting Minutes. The motion was seconded by John Albert and unanimously carried.

A motion was made by David Armitage to approve the September 13, 2016 Timber Lodge Condominium Association and Timber Lodge Timeshare Association Finance Sub-Committee Meeting Minutes. The motion was seconded by Candyce Beneke and unanimously carried.

FINANCIAL REPORT

2016 Finance Review

Meghan Dorris presented the 2016 Finance Review. Highlights included:

- 2016 unaudited results for Timber Lodge Condominium Association show a surplus of \$54,483; key drivers include savings in Loss Prevention and Electricity, due to a rate decrease and a reduction in Bad Debt
- The unaudited results for Timber Lodge Timeshare Association reflect a surplus of \$279,878; key drivers include Miscellaneous Revenue from an additional week of occupancy in 2016, a reduction in Bad Debt and additional Valet revenue
- 2016 Income Tax was not at the appropriate budgeted amount in comparison to Taxable Income and was over budget by \$81,000

Accounts Receivable Report

Ms. Dorris presented the Accounts Receivable Report. Highlights included:

- In 2016, unpaid maintenance fees remained flat, compared to 2015
- The Associations received reimbursement of \$87,231 from the Marriott Repurchase Program

Reserve Projects Report

Craig Chilton presented the Reserve Projects Report. Highlights included:

- Several 2016 projects for Timber Lodge Condominium Association were postponed. The exterior signage and entry drive enhancement project was postponed until 2019 pending further information on the Highway 50 Loop Road Proposal. The lanai deck waterproofing project, parking garage-lift station and elevator sump pump are scheduled for completion in the First Quarter 2017
- Several projects for Timber Lodge Timeshare Association are in progress with early 2017 completion dates. Three electric vehicle charging stations are being installed; additional skier services equipment is scheduled to be installed and the HVAC System, currently shared by the Administrative Office, the Retreat and At Your Service offices, is scheduled to be separated into different HVAC Systems.
- The purchase of an associate parking shuttle van was necessary due to the distance of the new associate parking lot from the property; the maintenance and purchase of the van is shared with Marriott Grand Residence Club

A motion was made by John Albert to move \$18,940 from 2016 Timber Lodge Condominium Association Reserves to 2017 Timber Lodge Condominium Association Reserves to fund the parking garage-lift station project. The motion was seconded by Daniel Craig and unanimously carried.

A motion was made by Daniel Craig to move \$6,234 from 2016 Timber Lodge Condominium Association Reserves to 2017 Timber Lodge Condominium Association Reserves to fund the lanai deck waterproof project. The motion was seconded by Candyce Beneke and unanimously carried.

A motion was made by David Armitage to move \$3,269 from 2016 Timber Lodge Condominium Association Reserves to 2017 Timber Lodge Condominium Association Reserves to fund the sump pump-elevator project. The motion was seconded by Daniel Craig and unanimously carried.

A motion was made by Daniel Craig to move \$12,000 from 2016 Timber Lodge Timeshare Association Reserves to 2017 Timber Lodge Timeshare Association Reserves to fund the HVAC system separation project. The motion was seconded by Candyce Beneke and unanimously carried.

A motion was made by Candyce Beneke to move \$2,085 from 2016 Timber Lodge Timeshare Association Reserves to 2017 Timber Lodge Timeshare Association Reserves to fund the electric vehicle charging station project. The motion was seconded by David Armitage and unanimously carried.

A motion was made by David Armitage to move \$16,871 from 2016 Timber Lodge Timeshare Association Reserves to 2017 Timber Lodge Timeshare Association Reserves to fund the skier services equipment project. The motion was seconded by Daniel Craig and unanimously carried.

A motion was made by Daniel Craig to approve \$18,316 for the purchase of an associate parking shuttle van from 2016 Timber Lodge Timeshare Association Reserves. The motion was seconded by David Armitage and unanimously carried.

2017 RENOVATION

Steve Habaradas presented the 2017 Renovation. Highlights included:

- The LED lighting upgrade, including all phases, was proposed in the amount of \$757,200; additional research is needed prior to the Board's final decision
- Alternate locations for the Business Center kiosk were discussed

A motion was made by David Armitage to approve \$15,934,199 for the 2017/2018 Timber Lodge Timeshare Association Renovation be paid from 2016, 2017, and 2018 Timber Lodge Timeshare Association Reserves. The motion was seconded by Candyce Beneke. David Babich and Daniel Craig voted in favor of the motion. John Albert abstained. With the majority of Board Members voting in favor, the motion passed.

A motion was made by Daniel Craig to approve \$179,846 for the 2017/2018 Timber Lodge Condominium Association Renovation be paid from 2016, 2017, and 2018 Timber Lodge Condominium Association Reserves. The motion was seconded by David Armitage. Candyce Beneke and David Babich voted in favor of the motion. John Albert abstained. With the majority of Board Members voting in favor, the motion passed.

RESORT OPERATIONS REPORT

Patricia Schille presented the Resort Operations Report. Highlights Included:

- The Overall Guest Satisfaction Score for 2016 was 90.4%

NEW BUSINESS

Action Items

Ms. Schille presented the Action Items. Highlights included:

- The RSM lead auditor will be a different auditor than previous years; RSM advised there is not a requirement to change the lead auditor on a yearly basis for nonprofit associations
- After extensive research on the electric vehicle charging cost, a formula was created to include the energy, equipment cost, installation cost, administration cost, and maintenance, totaling \$6.95 per charge. Timber Lodge Timeshare Association Board of Directors recommends a \$7.00 per charge fee
- Legal Counsel advised a 15% approval vote of the ownership is necessary to collapse Timber Lodge Condominium Association into Timber Lodge Timeshare Association; further review by Developer Legal Counsel is needed

A motion was made by David Armitage to add a proposal to collapse Timber Lodge Condominium Association into Timber Lodge Timeshare Association on the 2017 Limited Proxy. The motion was seconded by Candyce Beneke and unanimously carried.

Non-Smoking Amendment

The Board discussed the Non-Smoking Amendment and agreed to accept the Amendment with the addition of marijuana to the definition of the term "smoking".

A motion was made by Daniel Craig to approve the form of the Second Amendment to Timber Lodge Condominium Rules and Regulations, which amendment would expand, by means of clarification, the definition of the term “smoking” as used in the rules and regulations to include electronic cigarettes, vaporizers, alternative nicotine products and marijuana, as such Second Amendment was presented and attached to the minutes, and further to authorize the President of the Association to execute the Second Amendment. The motion was seconded by John Albert and unanimously carried.

A motion was made by John Albert to approve the form of the Second Amendment to Timber Lodge Vacation Ownership Plan Rules and Regulations, which amendment would expand, by means of clarification, the definition of the term “smoking” as used in the rules and regulations to include electronic cigarettes, vaporizers, alternative nicotine products and marijuana, as such Second Amendment was presented and attached to the minutes, and further to authorize the President of the Association to execute the Second Amendment. The motion was seconded by Daniel Craig and unanimously approved.

Announcement of Next Boards of Directors Meeting Dates

- Board and Annual Meetings - April 10, 2017
- Board Meeting - October 3, 2017

ADJOURNMENT

There being no further business to come before the Boards, a motion was made by Daniel Craig to adjourn the meeting at 10:31 a.m. The motion was seconded by Candyce Beneke and unanimously carried.

Submitted by:

Approved by:

Sheri Runyon
Recording Secretary

Date

David Babich
President

Date

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

**SECOND AMENDMENT
TO
TIMBER LODGE CONDOMINIUM
RULES AND REGULATIONS**

THIS SECOND AMENDMENT TO TIMBER LODGE CONDOMINIUM RULES AND REGULATIONS ("Second Amendment") effective January 23, 2017 ("Effective Date"), is promulgated by MARRIOTT RESORTS HOSPITALITY CORPORATION, a South Carolina corporation ("MRHC"), on behalf of Timber Lodge Condominium Association (the "Association"), and upon the consent of the Board of Directors of the Association (the "Board").

RECITALS:

WHEREAS, MRHC and the Association are parties to that certain Operating Agreement dated October 29, 2001, pursuant to which the Association engaged MRHC as its operating company to operate and manage the daily affairs of the Project (as defined therein); and

WHEREAS, the Timber Lodge Condominium Rules and Regulations ("Rules ") were adopted by the developer on behalf of the Association, effective May 29, 2002; and

WHEREAS, the First Amendment to the Timber Lodge Condominium Rules and Regulations ("First Amendment") was adopted by MRHC, on behalf of the Association, effective October 1, 2007, effecting a "Non-Smoking Policy" for the Property; and

WHEREAS, during a meeting of the Board on January 23, 2017, the Board, determining it to be in the best interest of the Association to formally clarify the "Non-Smoking Policy" currently in place for the Condominium Project, [unanimously] carried a motion for the Condominium Project to expand, by clarification, the definition of smoking as set forth below; and

WHEREAS, pursuant to Article XI of the Rules and Regulations, MRHC, on behalf of the Board, has the authority to make additional rules as may be required from time to time.

NOW, THEREFORE, MRHC, on behalf of the Association, at the request and upon the consent of the Board, does hereby adopt certain amendments to the Rules and Regulations as set forth below:

1. The Recitals are true and correct and are incorporated herein by this reference.
2. Article V, Section 5 of the Rules and Regulations, as amended by the First Amendment, is hereby deleted and replaced in its entirety by the following clarification to the "Non-Smoking Policy", which shall read as follows:

"Non-Smoking Policy. Effective October 1, 2007, smoking is prohibited everywhere on the Condominium Project, including within the Units and on the adjacent/connecting balcony/patio, except where designated by the Operating Company in its sole discretion, as may be changed from time to time. 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 Rules, the term "smoking" shall include the use of tobacco products, electronic cigarettes, vaporizers and other similar alternative nicotine products and marijuana."

3. This Second Amendment shall affect and be binding upon all Owners, past, present and future, and their successors and assigns, until otherwise amended or rescinded by future amendment of the Rules and Regulations.

4. The provisions of this Second Amendment shall supersede and replace any contrary provisions in the Rules and Regulations.

5. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Condominium Declaration of Covenants, Conditions and Restrictions for Timber Lodge.

6. Except as otherwise modified herein, the Rules and Regulations shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, a duly authorized representative of MRHC has executed this Second Amendment as of the Effective Date set forth above.

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: _____
Name: _____
Title: _____

**SECOND AMENDMENT TO
TIMBER LODGE VACATION OWNERSHIP PLAN
RULES AND REGULATIONS**

THIS SECOND AMENDMENT TO TIMBER LODGE VACATION OWNERSHIP PLAN RULES AND REGULATIONS ("Second Amendment") effective January 23, 2017, ("Effective Date"), is promulgated by MARRIOTT RESORTS HOSPITALITY CORPORATION, a South Carolina corporation ("MRHC"), on behalf of Timber Lodge Timeshare Association (the "Association"), and upon the consent of the Board of Directors of the Association (the "Board").

RECITALS:

WHEREAS, MRHC and the Association are parties to an Operating Agreement dated October 29, 2001, pursuant to which the Association engaged MRHC as its operating company to operate and manage the daily affairs of the Timeshare Project; and

WHEREAS, the Timber Lodge Vacation Ownership Plan Rules and Regulations ("Rules and Regulations") were adopted by the developer on behalf of the Association, effective May 29, 2002; and

WHEREAS, the First Amendment to Timber Lodge Vacation Ownership Plan Rules and Regulations was adopted by MRHC, on behalf of the Association, effective October 1, 2007 ("First Amendment"), effecting a "Non-Smoking Policy" for the Timeshare Project; and

WHEREAS, during a meeting of the Board on January 23, 2017, the Board, determining it to be in the best interest of the Association to formally clarify the "Non-Smoking Policy" currently in place for the Timeshare Project, [unanimously] carried a motion for the Timeshare Project to expand, by clarification, the definition of smoking as set forth below; and

WHEREAS, pursuant to Article XI of the Rules and Regulations, MRHC, on behalf of the Board, has the authority to make additional rules as may be required from time to time.

NOW, THEREFORE, MRHC, on behalf of the Association, at the request and upon the consent of the Board, does hereby adopt certain amendments to the Rules and Regulations as set forth below:

1. The Recitals are true and correct and are incorporated herein by this reference.
2. Article V, Section 6 of the Rules and Regulations, as amended by the First Amendment, is hereby deleted and replaced in its entirety by the following clarification to the "Non-Smoking Policy", which shall read as follows:

"Non-Smoking Policy. Effective October 1, 2007, smoking is prohibited everywhere on the Timeshare Project, including within the Units and on the adjacent/connecting balcony/patio, except where designated by the Operating Company in its sole discretion, as may be changed from time to time. 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 similar alternative nicotine products and marijuana."

3. This Second Amendment shall affect and be binding upon all Owners, past, present and future, and their successors and assigns, until otherwise amended or rescinded by future amendment of the Rules and Regulations.

4. The provisions of this Second Amendment shall supersede and replace any contrary provisions in the Rules and Regulations.

5. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Timeshare Declaration of Covenants, Conditions and Restrictions for Timber Lodge.

6. Except as otherwise modified herein, the Rules and Regulations shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, a duly authorized representative of MRHC has executed this Second Amendment as of the Effective Date set forth above.

MARRIOTT RESORTS HOSPITALITY CORPORATION

By: _____
Name: _____
Title: _____