To:
Marriott Vacations Worldwide
Grand Residence Club Lake Tahoe Condominium, Inc. Board of Directors

From:
Concerned Grand Residence Club Lake Tahoe Owners

We have received the letter from Tom McCormack dated December 4, 2023, as well as the board's response dated December 6th, 2023 from James Deatherage.

We are very concerned about the current disagreement between the management company and the association's board of directors. We recognize a threat to the relationship. Without a resolution, real harm will come to the dedicated and professional staff in South Lake Tahoe and Utah, and to the owners.

The owners, represented by the board of directors, face a serious devaluation of their interests:

- Many have invested additional, material amounts in either Abound points or other resorts for the sole purpose of enrolling their interests in order to be eligible to convert weeks to Abound Points and Bonvoy Points. Loss of this benefit would render these additional investments worthless.
- Eliminating the benefits of election and removing the Marriott brand name will likely reduce the market value of our interests, and may cause a fire sale and/or increase in defaults on maintenance fees by owners.
- The loss of cash flow resulting from these anticipated defaults would need to be spread among the remaining owners, further negatively impacting the cost of ownership.

We understand that the Board of Directors has historically used the San Francisco CPI as the baseline for maintenance fee increases, and we applaud the BOD for its efforts to keep owner costs down. However, the last two years of financial statements show a significant and growing structural deficit. As owners we appreciate the need to maintain the excellent standards that our property is known for, and we are willing to pay our fair share. If the board feels like it can balance the budget without increasing fees beyond the proposed amount, then we'd like to better understand the actual expenses and the details of the difference between the board's position and the management company's position.

We understand that there is outstanding litigation between the association and the management company. This year's budget should not be tied to any anticipated outcome of that litigation. Any actual outcome of these legal issues can be worked into a future budget when the issues are finally resolved.

We sense that each side may have drawn a line in the sand that may not reflect the ongoing reality of our situation. We strongly urge you to come together in good faith, and with mediation, if necessary, to resolve this situation and protect value for all of us.

The board has a fiduciary duty to act in the best interest of the owners, and for Grand Residence that means preserving the agreement and relationship with the management company.