

August 29, 2018

RE: Notice of Annual Meeting
Crystal Shores Condominium Association, Inc.

Dear Marriott's Crystal Shores Owner:

The 2018 Annual Meeting of Crystal Shores Condominium Association, Inc., will be held at 1:00 p.m., Eastern time, on October 4, 2018, at Marriott's Crystal Shores, Gulf Shore Room, 600 South Collier Boulevard, Marco Island, Florida 34145.

The purpose of the meeting is to review the operations of the Association, conduct any other business which may be presented at the meeting and to consider the following:

- Waiving or Reduction of Fully Funded Reserves
- Election of two (2) Members to the Board of Directors each to serve a two-year term

The following Annual Meeting materials are enclosed for your review:

- **Agenda** for the meeting
- **Proposals** to be considered
- **Candidate Profiles** of the candidates for election to the Board of Directors
- **Limited Proxy Submission Methods**
- **Limited Proxy**

If you are unable to attend in person, you may submit your Limited Proxy electronically through the Internet at proxyvoting.com/MVCI by 11:59 p.m., Eastern time, on September 27, 2018. The Internet procedures are designed to authenticate your electronic submission by use of a personal control number found on your Limited Proxy. Or submit your Limited Proxy by marking, signing, and dating your Limited Proxy and returning it in the prepaid envelope to: Proxy Services Corporation, P.O. Box 9001, Brentwood, New York 11717-9804 before September 27, 2018. If you submit your Limited Proxy on the Internet, please do not also mail your Limited Proxy.

If you have questions regarding submitting your Limited Proxy electronically, please contact Morrow Sodali by email at mvci.info@morrrowsodali.com.

In connection with updating your records, a **Certificate of Voting** form is included. **If you previously completed and returned a Certificate of Voting form, you do not need to complete the form again unless you wish to designate a new voting member.** If completing the form, please designate one (1) voting member by writing their name on the enclosed form, sign, date and return with your Limited Proxy in the business return envelope provided. Or, you may complete the form electronically by entering the name of your designated voting member, signing and submitting online. Single, individual Owners do not need to complete a form. Please note, completing the Certificate of Voting is different from appointing a proxy holder. See your Limited Proxy for specific instructions on appointing a proxy holder if you are unable to attend the Annual Meeting.

If you have any questions about the Annual Meeting or the information enclosed, please contact Pam Cooper, Senior Administrative Assistant, by telephone at 239-393-6760 or by email at pam.cooper@vacationclub.com.

Whether or not you plan to attend the Annual Meeting, I encourage you to submit your Limited Proxy promptly. If the quorum requirement is not met, the Association will incur additional expense to re-notice Owners in order to obtain the votes required to hold the Annual Meeting. Your vote and participation are important to the Association.

Sincerely,

William Love

Secretary/Treasurer

Crystal Shores Condominium Association, Inc.

**Crystal Shores Condominium Association, Inc.
2018 Annual Meeting**

October 4, 2018 at 1:00 p.m., Eastern Time

Marriott's Crystal Shores
Gulf Shore Room
600 South Collier Boulevard
Marco Island, Florida 34145

Agenda

- Call to Order
- Roll Call; Certifying of Proxies; Establishment of Quorum
- Appointment of Recording Secretary
- Proof of Notice of Annual Meeting
- Approval of Agenda
- Approval of 2017 Annual Meeting Minutes
- Appointment of Inspector of Election
 - Nominations from Floor
 - Tabulation of Votes
- Board of Directors Report
- Resort Operations Report
- Financial Report
 - 2017 Annual Audit Report
 - 2018 Year to Date Financials and Reserves
 - Accounts Receivable
- Voting Results
 - Waiving or Reduction of Fully Funded Reserves
 - Election of Two (2) Members to the Board of Directors
- New Business
 - Announcement of 2019 Annual Meeting Date
- Adjournment

Crystal Shores Condominium Association, Inc.
2018 Annual Meeting

Proposals

1. **Reserve Funding Waiver** (Item 2A on your Limited Proxy)

The State of Florida requires condominium associations to include in their annual budgets reserves for capital improvements and deferred maintenance. Under Florida law, the amount to be reserved must be computed using a formula based upon the estimated useful life and estimated replacement cost of each item. However, the State permits the annual waiver or reduction of the statutory reserve contribution with an affirmative vote by the majority of those Owners voting by proxy or in person at a duly called meeting of the Association. Without such a majority Owner vote for waiver or reduction of reserve funding the statutory formula will be followed, which may result in a higher total maintenance fee assessment than if a majority Owner vote is obtained.

Your Board of Directors recommends a “YES” vote for waiver or reduction of the required reserve contribution.

2. **Election of Two (2) Members to the Board of Directors** (Item 2B on your Limited Proxy)

Two (2) Members will be elected to the Board of Directors each to serve a two-year term. See the Candidate Profiles for a summary of candidates.

Crystal Shores Condominium Association, Inc.
2018 Annual Meeting

Candidates Profiles

The candidates are listed in alphabetical order.

Name: Theodore A. Ballent
Home: Houston, Texas
Occupation: Retired Senior Real Estate Manager for Walgreens Company
Comments: "I'm requesting your support and vote to serve on the Board of Directors at Crystal Shores. I have been coming to Crystal Shores since it first opened as Executive level and "legacy" owner. I have been involved in business my whole adult career, both with a top 20 Fortune 500 company as well as owning my own businesses in investing, and Real Estate consulting. I also serve on the advisory board of the winery in South Africa. Besides my College degree, I hold a Real Estate brokers license, reached the rank of Eagle Scout and retired as a Major in the US Army, having held extensive command positions. I want to serve as a Director because I feel that based on my varied lifetime experiences I will be able to make common sense decisions on any issues that come to the Board. Respectfully submitted!"

Name: Anthony J. Pusillo
Home: New Providence, New Jersey
Occupation: Chief Executive Office for Private Consulting Company
Comments: "Thank you for allowing me to serve you on our Board of Directors these past two years. This Board has successfully steered Crystal Shores Resort through many changes during this time. Simple, complicated or supportive, all were directed toward maintaining the high standards that you have come to expect at Crystal Shores. As a Naples FL resident, I too was affected by Irma. Here at the resort, we were just preparing for the opening of our two new towers when she struck. Millions of dollars in damages to our existing as well as new towers, common areas and pool. You as owners were unhappy as reservations were cancelled. Well, we championed through this adversity and our new resort looks beautiful. I seek your vote to allow me to complete our work at your resort and provide you with the most wonderful and memorable vacation experience."

Name: Edwin A. Reimon
Home: Rutherford, New Jersey
Occupation: Principal at Reimon Engineering Services
Comments: "Over 30 years of experience in the field of Civil Engineering Design and management of Infrastructure Improvement project for Government Agencies, Design and Construction Management of Land Development project for private institutions and individual investors/developers, Planning Board Engineer for County and Municipalities and Municipal Engineer. Owner of a professional Engineering Service company."

Name: Beth Williams
Home: Glen Allen, Virginia
Occupation: Self-Employed, IT and Human Resources Consulting
Comments: "I currently serve on the Crystal Shores BOD and enjoy the dedicated staff who work diligently to ensure a wonderful vacation experience for our owners and guests. Despite the challenges in 2017, our guest satisfaction surveys continue to result in positive ratings. As a Director, I take my fiduciary responsibility seriously and offer an active voice in the decisions that impact our association. Overall, our financial decisions have been conservative, cautious and proactive whenever possible. Our goal continues to be to ease costs and create a reasonable and balanced maintenance fee structure while continuing to build a reserve for the future. I own a small business in central Virginia and have a keen knowledge of business issues and the people skills required to achieve goals and set in motion initiatives that would benefit Crystal Shores. If elected for another term, I will continue to represent the ownership's best interest. I respectfully ask for your support and vote to serve another term."

Limited Proxy Submission Methods

The accompanying Notice of Annual Meeting describes important issues affecting the Association. To submit your Limited Proxy:

1. By Internet

- a. Log onto proxyvoting.com/MVCI, 24 hours a day, seven days a week by the deadline of 11:59 p.m., Eastern time, on September 27, 2018.
- b. Enter the control number that appears on your Limited Proxy.
- c. Follow the simple instructions.

2. By Mail

- a. Mark your selections on the enclosed Limited Proxy.
- b. Date and sign your name exactly as it appears on your Limited Proxy.
- c. If you will not be able to attend the Annual Meeting, please appoint a proxy holder to vote on your behalf. You may appoint the designated proxy holder named on your Limited Proxy, or you may write in the name of another person that you wish to act as your proxy holder. The person you designate must be in attendance at the Annual Meeting for your votes to be counted.
- d. Mail the Limited Proxy in the enclosed postage-paid envelope.

LIMITED PROXY

**Crystal Shores Condominium Association, Inc.
Limited Proxy for 2018 Annual Meeting**

Date: _____

Voting Member Signature

(X): _____

Voting Member Signature

(X): _____

Legal Name:

Note: This Limited Proxy must be dated and signed by the owner(s) or the designated voting member for the vote(s) to be counted. Please sign and return your Limited Proxy on or before September 27, 2018. Please note, however, that votes will be counted if cast in person or otherwise properly received on or before October 4, 2018.

1. The above signed, as member(s) of **Crystal Shores Condominium Association, Inc.**, do hereby appoint EITHER (indicate choice by filling in the circle at (1) OR (2)):

(1) **Bill Whelihan**, President of the Association, or any other officer or director in attendance he so designates in his absence; OR

(2) _____
(Insert name of individual, who MUST be in attendance at the Annual Meeting in order for your vote(s) to be counted.)

as my true and lawful attorney-in-fact and proxy holder, revoking all previous proxies, to vote in my place and stead on my behalf, as though I myself were present, with power of substitution, at the **Annual Meeting of Crystal Shores Condominium Association, Inc.**, to be held at 1:00 p.m., Eastern time, on October 4, 2018, at Marriott's Crystal Shores, Gulf Shore Room, 600 South Collier Boulevard, Marco Island, Florida 34145, except that my proxy holder's authority is limited as indicated below.

2. **AGENDA ITEM(S)**. (FOR YOUR VOTE TO BE COUNTED ON THE FOLLOWING ISSUES, YOU MUST MARK THE CIRCLE(S) PROVIDED BELOW. IF YOU LEAVE ANY ITEM IN THIS SECTION BLANK, YOUR PROXY HOLDER MAY NOT CAST A VOTE ON SUCH ITEM.)

A. Reserve Funding Waiver. See Proposals for details.

WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

Do you want to provide for less reserve funding than is required by §718.112(2)(f), Florida Statutes, for the Association's next fiscal year?

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE "YES" FOR WAIVER OR REDUCTION OF THE STATUTORY RESERVE CONTRIBUTION. A majority "No" Vote will result in the Reserve Maintenance Fee contribution for 2019 being \$599.01. This represents the Fully Funded contribution level. In 2018, your Reserve Maintenance Fee contribution was \$393.03.

- Yes No

If you voted "Yes", vote for one of the Board proposed options below: (The option with the most votes will be the one implemented by the Association.)

- Between \$390 - \$450 Reserve Maintenance Fee contribution per Unit Week
(Recommended by your Board of Directors)
- Between \$451 - \$550 Reserve Maintenance Fee contribution per Unit Week

B. Election of two (2) Members to the Board of Directors each to serve a two-year term. See the Candidate Profiles for a summary of the candidates. Please vote for no more than two (2) candidates. Selection of more than two (2) candidates will invalidate your vote.

- Theodore A. Ballent
 Anthony J. Pusillo
 Edwin A. Reimon
 Beth Williams

3. **GENERAL POWERS (NON-AGENDA ITEM(S))**. You may choose to grant your proxy holder general powers. Please fill in the circle below if you want your proxy holder to vote on other issues which may come up at the meeting and for which a limited proxy is not required.

- I authorize and instruct my proxy holder to use his or her best judgment on all matters which properly come before the meeting and for which a general power may be used.

THIS LIMITED PROXY IS REVOCABLE BY THE OWNER AND IS VALID ONLY FOR THE MEETING FOR WHICH IT IS GIVEN AND ANY LAWFUL ADJOURNMENT THEREOF. IN NO EVENT IS THIS LIMITED PROXY VALID FOR MORE THAN NINETY (90) DAYS FROM THE DATE OF THE ORIGINAL MEETING FOR WHICH IT WAS GIVEN.

Please sign and return your Limited Proxy on or before September 27, 2018. Please note, however, that votes will be counted if cast in person or otherwise properly received on or before October 4, 2018.

Owner ID/Villa/Week:

CERTIFICATE OF VOTING MEMBER – INDIVIDUALS

[This Certificate of Voting Member (Individuals) form should only be used for those Interests owned by multiple individuals. Partnerships, corporations, trusts, limited liability companies and other entity owners shall use the Certificate of Voting Member (Entity) form on page 2.]

The undersigned, being the owners (each, an “Owner” and, collectively, the “Owners”), of ownership interest(s) (each, an “Interest”), in the program or property known as **Marriott’s Crystal Shores** which is managed and administered by **Crystal Shores Condominium Owners Association, Inc.** (the “Association”), hereby designate the below-listed individual as the “Voting Member” to cast the vote, on Owners’ behalf, for each such Interest, in all matters pertaining to the Association, until this Certificate of Voting Member is revoked or suspended by written instrument executed by the Owners.

Each Owner hereby acknowledges and agrees that the execution and delivery of this Certificate of Voting Member shall automatically revoke, and shall entirely replace and supersede, any voting certificate(s) executed by the Owners relating to the Association prior to the dates set forth below.

In designating a Voting Member, all Owners must sign below.

VOTING MEMBER

_____ (type or print one (1) name; Voting Member must be on Deed)

OWNERS:

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Signature: _____
Printed Name: _____
Date: _____

Owner ID/Villa/Week:

CERTIFICATE OF VOTING MEMBER - ENTITY

[This Certificate of Voting Member (Entity) form should only be used for Interests owned by entities (e.g. partnerships, corporations, trusts, limited liability companies). For Interests owned by multiple individuals, please use the Certificate of Voting Member (Individuals) form on page 1.]

The undersigned, being the owner (the "Owner"), of ownership interest(s) in the program or property known as **Marriott's Crystal Shores** which is managed and administered by **Crystal Shores Condominium Owners Association, Inc.** (the "Association"), hereby designates the below-listed individual as the "Voting Member" to cast the vote, on Owner's behalf, until this Certificate of Voting Member is revoked or suspended by written instrument executed by Owner.

Owner hereby acknowledges and agrees that the execution and delivery of this Certificate of Voting Member shall automatically revoke, and shall entirely replace and supersede, any voting certificate(s) executed by Owner for the Association prior to the date set forth below.

By the execution of this Certificate of Voting Member in the space provided below, the individual signing this Certificate of Voting Member, on behalf of Owner, represents that he/she is authorized to sign this Certificate of Voting Member on behalf of the Owner.

VOTING MEMBER

(type or print one (1) name)

ENTITY OWNER LEGAL NAME:

Signed By: _____

Printed Name: _____

As its (choose one):

President Vice President General Partner Other _____

Date: _____

ATTEST:

(Attest not required if entity is a Trust)

Signed By: _____

Printed Name: _____

As its (choose one):

Secretary Assistant Secretary