

September 23, 2019

RE: Notice of Budget Meeting
Notice of Annual Meeting
Monarch at Sea Pines Owners' Association, Inc.

Dear Marriott's Monarch Owner:

The Board of Directors of Monarch at Sea Pines Owners' Association, Inc., will meet at 8:00 a.m., Eastern time, on October 22, 2019, to review the operations of the Association and approve the Proposed 2020 Budget. The Board Meeting will be held at the offices of Marriott Vacation Club® International, Board Room, 1044 William Hilton Parkway, Hilton Head Island, South Carolina 29928.

Included with this notice is the Proposed 2020 Budget pending Board approval at the Board Meeting. Please contact Mark Heldt, Director of Finance, by phone at 843-686-7348 or by email at mark.heldt@vacationclub.com with any questions regarding the Proposed 2020 Budget.

The 2019 Annual Meeting of Monarch at Sea Pines Owners' Association, Inc. will be held later that same day, October 22, 2019, at 3:30 p.m., Eastern time, at the offices of Marriott Vacation Club® International, Board Room, 1044 William Hilton Parkway, Hilton Head Island, South Carolina 29928.

The purpose of the Annual 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:

- Election of three (3) Members to the Board of Directors, each to serve a three-year term

The following Annual Meeting materials are enclosed for your review:

- **Candidate Profiles** of the candidates for election to the Board of Directors
- **Limited Proxy**

This email contains the link to the secure internet site that will allow you to submit your Limited Proxy electronically and also view the documents related to this meeting. It has confidential information specific to your account and is intended only for the member to whom it is addressed.

If you are unable to attend in person, you may submit your Limited Proxy electronically no later than 11:59 p.m., Eastern time, on October 15, 2019. The internet procedures are designed to authenticate your electronic submission by use of a personal control number. To submit your proxy via Morrow Sodali's online system, please click on proxyvoting.com/MVCI. At the site, you must enter the following control number: [# to be provided by proxy vendor]. **PLEASE MAKE NOTE OF YOUR CONTROL NUMBER AS THE INFORMATION IS AVAILABLE ONLY THROUGH MORROW SODALI.**

In connection with updating your records, a **Certificate of Voting** form is included on the secure Internet site. **If you previously completed 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 entering the name of your designated voting member, signing and submitting electronically. 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 regarding submitting your Limited Proxy electronically, please contact Morrow Sodali by email at mvci.info@morrrowsodali.com.

If you have questions regarding the Annual Meeting, please contact Birgit Koellner-Gozlan, General Manager, by phone at 843-686-7104 or by email at birgit.koellner@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,

Linda Wischnowski

Secretary

Monarch at Sea Pines Owners' Association, Inc.

MONARCH AT SEA PINES OWNERS' ASSOCIATION, INC.

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

	2019 BUDGETED EXPENSES 6,100 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)	2020 PROPOSED BUDGET 6,100 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)	2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE)		2020 PROPOSED BUDGET TOTAL \$	2020 BUDGET BY VILLA TYPE	
			\$	%		2 BEDROOM 6,050 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)	3 BEDROOM 50 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)

Revenue								
Maintenance Fee	1,612.85	1,681.10	68.25	4.2%	10,254,680	1,667.45	3,334.83	
Antenna Income	5.99	5.99	0.00	0.0%	36,531	5.94	11.88	
Bank/Investment Interest	5.87	10.13	4.26	72.6%	61,821	10.05	20.10	
Float Time Income	3.44	3.44	0.00	0.0%	20,978	3.41	6.82	
Late Fees	2.63	2.36	(0.27)	(10.3%)	14,425	2.35	4.69	
Maintenance Fee Interest Income	5.69	4.37	(1.32)	(23.2%)	26,628	4.33	8.66	
Marketplace Express Net	2.71	2.59	(0.12)	(4.4%)	15,794	2.57	5.14	
Total Maintenance Fee Revenue	1,639.18	1,709.98	70.80	4.3%	10,430,857	1,696.10	3,392.12	

Expenses								
Accounting	21.50	22.38	0.88	4.1%	136,504	22.20	44.39	
Activities	24.44	29.47	5.03	20.6%	179,772	29.23	58.46	
Administration	71.63	71.49	(0.14)	(0.2%)	436,087	70.91	141.82	
Audit Fee	2.05	1.72	(0.33)	(16.1%)	10,500	1.71	3.41	
Bad Debt Expense	2.14	4.00	1.86	86.9%	24,400	3.97	7.93	
Billing and Collections	8.96	10.13	1.17	13.1%	61,820	10.05	20.10	
Board of Directors	3.29	3.29	0.00	0.0%	20,049	3.26	6.52	
Cable Television	8.72	8.19	(0.53)	(6.1%)	49,956	8.12	16.25	
Consulting Expense	1.15	1.02	(0.13)	(11.3%)	6,220	1.01	2.02	
Credit Card Fee	20.26	18.84	(1.42)	(7.0%)	114,948	18.69	37.38	
Easement Rights - Sea Pines Plantation*	21.63	22.17	0.54	2.5%	135,210	21.99	43.97	
Electricity	35.09	35.87	0.78	2.2%	218,790	35.58	71.15	
Front Desk	70.05	74.05	4.00	5.7%	451,689	73.45	146.89	
Gas	3.97	3.97	0.00	0.0%	24,231	3.94	7.88	
High Speed Internet	13.29	13.93	0.64	4.8%	84,991	13.82	27.64	
Housekeeping**	219.45	238.09	18.64	8.5%	1,452,365	236.16	472.31	
Human Resources	11.32	8.79	(2.53)	(22.3%)	53,630	8.72	17.44	
Income Tax	2.95	8.53	5.58	189.2%	52,030	8.46	16.92	
Insurance	46.11	62.33	16.22	35.2%	380,206	61.82	123.64	
Landscape / Grounds	25.09	26.82	1.73	6.9%	163,579	26.60	53.20	
Loss Prevention / Security	29.70	36.72	7.02	23.6%	223,994	36.42	72.84	
Maintenance	133.51	137.32	3.81	2.9%	837,676	136.21	272.41	
Management Fee	146.62	152.83	6.21	4.2%	932,244	151.58	303.17	
Operating Capital	0.00	49.50	49.50	100.0%	301,950	49.10	98.20	
Owner Services***	11.82	12.17	0.35	3.0%	74,243	12.07	24.14	
Pest Control	2.84	2.97	0.13	4.6%	18,144	2.95	5.90	
Pool Maintenance	11.22	12.30	1.08	9.6%	75,018	12.20	24.40	
Postage and Printing	2.40	2.40	0.00	0.0%	14,622	2.38	4.76	
Property Taxes	126.65	123.43	(3.22)	(2.5%)	752,950	122.43	244.86	
Refuse Collection	2.94	2.73	(0.21)	(7.1%)	16,632	2.70	5.41	
Telephone	3.75	1.39	(2.36)	(62.9%)	8,467	1.38	2.75	
Water and Sewer	10.21	10.14	(0.07)	(0.7%)	61,840	10.06	20.11	
Operating Fee	1,094.75	1,208.98	114.23	10.4%	7,374,757	1,199.17	2,398.27	

Reserve Fee	544.43	501.00	(43.43)	(8.0%)	3,056,100	496.93	993.85	
Operating And Reserve Fee	1,639.18	1,709.98	70.80	4.3%	10,430,857	1,696.10	3,392.12	

* Pursuant to the terms of the Easement Agreement between Community Services Associates, Inc. and Marriott Ownership Resorts, Inc. for easement of roads, public facilities, bike paths and trails within the Sea Pines Plantation.

** Certain operating expenses are presented in the budget net of funds estimated to be reimbursed to the Association in 2020, including but not limited to: (i) funds received from MVC Exchange Company to account for housekeeping expenses necessitated by nightly use of accommodations by Marriott Vacation Club Destinations Exchange Program members, and (ii) fees paid to the Association by transient guests who voluntarily elect to receive a daily room cleaning.

*** The Marriott Resorts Hospitality Corporation ("MRHC") has been delegated the authority to provide all services incidental to the management of the Condominium, including Owner Services and all property operations. In connection with the performance of those services, all operating expenses will be charged to and paid by the Association to MRHC, including some that may be incurred through affiliates of MRHC. Certain of the operating expenses charged to and paid by the Association to MRHC may reflect economies of scale associated with the number of projects managed by MRHC and the affiliated relationship between MRHC and the developer. The amounts charged for such operating expenses may reflect pricing that is lower than what equivalent services would cost if charged on an independent case-by-case basis.

The resort consist of one hundred twenty-two (122) units. One hundred and twenty-one (121) units contain two (2) bedroom and two (2) bathrooms and have a per unit costs of \$83,372.00 One (1) unit, the Crown Suite Unit 3855, contains three (3) bedrooms and three (3) bathrooms and has a per unit costs of \$166,744.00

Capitalized terms not defined in this budget have the meaning given to them in the Master Deed, Declaration of Interval Ownership or the Public Offering text.

**Monarch at Sea Pines Owners' Association, Inc.
2019 Annual Meeting**

Candidate Profiles

Candidates are listed in alphabetical order.

Name: Nancy Barbee
Home: Indianapolis, Indiana
Occupation: Owner/President Cabinetry Ideas-Master Kitchen & Bath Designer
Comments: "After thirty years (twenty as the owner/operator) in the Kitchen & Bath business, my daughter is taking over and freeing me to do other things. Hence my interest in joining the Monarch board as we have been owners since the building's construction. Having spent my entire adult life in business I have a working knowledge of financial reports, personnel issues, and customer issues. My background includes 20 years in corporate retail & 20 years in private business with customer satisfaction as a top priority. For reference go to cabinetryideas.com. I would enjoy sharing that background of experience on the Monarch Board. Thank you for your consideration."

Name: Paul Carlsen
Home: Kohler, Wisconsin
Occupation: College President
Comments: "My family has been vacationing at Monarch since 1996. We love it. I want to serve on the board so my two daughters, ages 6 and 1, can enjoy Monarch when they grow up. The board exists to represent the interests of all owners. My priorities will be establishing a sustainable, predictable maintenance fee schedule, fiscal integrity and transparency, and growing family amenities. As President of Lakeshore Technical College in Wisconsin I manage a staff of 400+ with a budget of \$50M. Previously, I worked in economic development in South Carolina and Louisiana. Locally, I serve on boards for the Chamber of Commerce and United Way as well as workforce and economic development boards. I have a doctorate from the University of Georgia and a masters from the University of Denver. I will bring a fresh perspective, a focus on fiscal details, and attention to customer service."

Name: Michael Doraz
Home: Madison, Connecticut
Occupation: Retired, Purchasing Manager, Sikorsky Aircraft Corporation Division of United Technologies
Comments: "I have been an owner at Marriott's Monarch since June of 1987. I watched Hilton Head Island and Monarch develop and grow for over 30 years. I would like that growth to continue as I plan to pass my ownership and my additional Vacation Club points to my children. I believe my education (two Master's degrees; one in Finance and another in Marketing), along with my strong work experience in supply management with extensive contract, pricing, negotiation and program management skills, give me an understanding of what is needed to aid the Monarch team in order to continue its growth in the future. My family and I have stayed at Marriott's around the world (Australia, Germany, Ireland, Italy, etc.) and know what makes a great Marriott timeshare. I believe I would be a great asset as a member of the Board of Directors."

Monarch at Sea Pines Owners' Association, Inc.
2019 Annual Meeting

Candidate Profiles
(continued)

Name: David Eisenreich
Home: Wexford, Pennsylvania
Occupation: Retired, Bank Real Estate Executive
Comments: "In 2014, I retired after forty-four years in the corporate real estate/facility management industry. Since then I have served on various Boards where my talents are of value. Currently, I am the President of the Monarch Board. During my years at PNC Bank, I worked as a construction project manager, completing hundreds of successful projects. I also had the responsibility for managing the facility operations of properties across a regional footprint. I believe my experience in budgeting, construction, and property management will again bring valuable expertise to the Board as it carries out the task of overseeing the fiscal and socially responsible management of this premier resort. I am proud of my past contributions to the Board and look forward to another term. As a longtime owner, I will always support the Board's efforts to deliver to the owners an exceptional and affordable vacation experience."

Name: Dale Henn
Home: St. Louis, Missouri
Occupation: Retired, Vice President, Finance, Gannett/USA TODAY
Comments: "I'm interested in helping our Monarch resort sustain and enhance high quality owner experience and value. I believe my experience would help Monarch maintain first class service, maintain cost effective operations and achieve sustainable maintenance fees. My 30+ year career includes finance, executive and officer roles leading teams responsible for enterprise facilities, real estate and capital expenditures as a Fortune 500 corporate vice president (retired). Board service includes the Monarch Board (Treasurer), Great Rivers Greenway Foundation, our condo association and church. Volunteer experience includes leadership roles in youth sports, our county library foundation and Lowes Island Club. My wife and I own two weeks at Monarch and Trust points, Chairman level. We've owned at Barony since construction. We, our children and grandchildren enjoy our ownership tremendously and respect and support Monarch's continuing effective management. Really looking forward to our next visit to newly renovated Monarch."

Name: Cortland Hillman
Home: Unionville, Michigan
Occupation: Sales & Entrepreneurship
Comments: "Age: 76; Occupation: Sales & Entrepreneurship; Marital Status: 52 years with the same wonderful woman; Education: EdD, Western Michigan University; Experience: 55 years, fund raising sales PLUS ownership of two Sylvan Learning Centers I believe, with my "life experience", business experience, age, and education, that I could be a valuable addition to the Board of Directors. I look forward to serving."

Name: Scott Maney
Home: Centerville, Ohio
Occupation: Labor Relations Consultant
Comments: "As an owner of three summer weeks at The Monarch, my priority is maintaining an enjoyable vacation experience for our owners and guests. As a current Board Member of the Owners Association at our primary residence in Ohio, I have utilized my professional skills of communication, organization, and negotiation to build value in our Association and community while maintaining a balanced budget. I look forward to bringing these skills to the Monarch Board. My wife, son, and myself look forward to many years of vacationing at The Monarch and I welcome the opportunity to serve on the Board."

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 October 15, 2019.
- 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 vote to be counted.
- d. Mail the Limited Proxy in the enclosed postage-paid envelope.

LIMITED PROXY

**Monarch at Sea Pines Owners' Association, Inc.
2019 Limited Proxy**

Date Signed: _____

Voting Member Signature

(X): _____

Voting Member Signature

(X): _____

Legal Name:

Note: All owners (or the designated voting member, if applicable) must sign and date the Limited Proxy for the vote(s) to be counted. Please sign and return your Limited Proxy on or before October 15, 2019. Please note, however, that votes will be counted if cast in person or otherwise properly received on or before October 22, 2019.

1. The above signed, as member(s) of **Monarch at Sea Pines Owners' Association, Inc.**, (the "Association"), do hereby appoint **EITHER** (indicate **one choice only** by filling in the circle at (1) or (2)):
- (1) **David Eisenreich**, President of the Association, or any officer or director of the Association 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 **Monarch at Sea Pines Owners' Association, Inc.**, to be held at 3:30 p.m., Eastern time, on October 22, 2019, at the offices of Marriott Vacation Club® International, Board Room, 1044 William Hilton Parkway, Hilton Head Island, South Carolina 29928, 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. Election of three (3) members to the Board of Directors each to serve a three (3) year term. See the Candidate Profiles for a summary of the candidates. Please vote for no more than three (3) candidates. Selection of more than three (3) candidates will invalidate your vote.
- Nancy Barbee
 - Paul Carlsen
 - Michael Doraz
 - David Eisenreich
 - Dale Henn
 - Cortland Hillman
 - Scott Maney

3. GENERAL POWERS NON-AGENDA ITEM(S).

A. 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 up before the meeting and for which a general power may be used.

THIS LIMITED PROXY IS REVOCABLE BY THE MEMBER IN ACCORDANCE WITH THE BYLAWS OF THE ASSOCIATION 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 ELEVEN (11) MONTHS.

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 Monarch** which is managed and administered by **Monarch at Sea Pines 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 Monarch** which is managed and administered by **Monarch at Sea Pines 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