



CAPITALVACATIONS

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December 20, 2024

Dear Valued Owners,

After nearly two years of careful planning and collaboration, I am excited to announce that the Board of Directors has approved Capital Vacations' acquisition of the management agreements from Narveson Management Inc. (NMI) in the Breezy Point and Brainerd Lakes areas.

Why This Decision Was Made

Like many legacy resorts, our associations have encountered challenges in recent years due to a decline in ownership. The only way to address this financial issue for our remaining owners is by bringing in management, finance, sales, and marketing experts who can revitalize and strengthen our associations.

For the past 25 years, our NMI team has excelled at managing and maintaining properties. However, if the financial stability of our associations continues to decline, it will ultimately affect our ability to serve you. The Board of Directors has decided that partnering with Capital Vacations is the best way forward for long-term stability and growth.

What This Means for the Staff

We are incredibly proud of our staff's work over the past two decades. Capital Vacations has recognized this team's hard work and is excited to combine our local expertise with their professional capabilities.

All NMI staff have been retained at their current pay rates, and Capital Vacations is offering improved employee benefits to ensure a smooth and rewarding transition. This partnership introduces new tools and opportunities that will enable us to serve you even better than before.

Additionally, I will continue in a management role as Capital Vacations' Senior Director of Hospitality Operations. On behalf of the Capital Vacations family, we are thrilled to welcome you, our valued owners, to the expanding portfolio of managed independent resorts and associations across the U.S., Mexico, and the Caribbean. Our shared goal is to ensure this transition is seamless while continuing to provide the exceptional staffing and services you have come to expect and deserve.

What This Means for the Associations and Owners

This transition is a significant step forward for our associations. With Capital Vacations' involvement, we are already seeing positive results, including:

- **Increased Financial Stability:** The addition of new sales and more maintenance fee-paying owners strengthens the associations' financial health.
- **Reserve Fund Infusion:** Capital Vacations has made an upfront financial contribution to each association's reserve funds, enabling unit improvements and other necessary upgrades.
- **Expanded Benefits for Owners:** In the future, you'll have the opportunity to explore the many benefits of the Capital Vacations network, providing enhanced vacation options.

We are confident that this partnership will bring tremendous value to your association and you, our valued owners.

We wish you and your families a joyful holiday season. We will be reporting more on this exciting news during and after our upcoming Annual Meeting. We look forward to serving you and making your vacations even more memorable. Thank you.

Regards,

Neal Narveson
Capital Vacations
Senior Director of Hospitality Operations