

March 7, 2025

Dear Causeway on Gull Owner,

As a follow up to our 2024 Fall Annual Meeting, please join us in welcoming newly elected Board Members, Cory Jensen, Jim Leukam, and Peter Smothers to our 9-member Causeway Board of Directors for 2025. Jim was an incumbent and will continue as our House and Grounds Committee Chairman, and Cory and Peter are both new to the Board this year. In addition, Kitty Haselkamp was appointed to the Board after a resignation.

Also new for 2025, the Board was finally able to complete the deal along with 12 other Minnesota timeshare associations and Capital Vacations for future management services, sales and marketing assistance, rental assistance, as well as future website and other services. In the deal Causeway and the other associations will be receiving Capital's assistance in acquiring and paying maintenance fees on previously unproductive inventory owned by our association. This will have a huge impact on future association annual budgets, as we begin to have an expanding owner base of paying owners, rather than a shrinking one. The deal has Capital Vacations expanding the various associations involved by nearly 300 additional fee-paying intervals each year, with our allocation for Causeway at a minimum of 50 new intervals each year.

Capital Vacations also committed \$1.5 million of additional funding to the various groups with Causeway's share of those funds equaling \$348,000. Both aspects of this deal will greatly assist us with our needs at Causeway without special assessments and the need to increase revenue generating activity without outside support. This agreement and the funds that have been received by our association will allow us to work together in partnership to assure that growth in our ownership base and financial foundation are both moving in a positive direction. This ensures that over the next 10 years we have commitments that benefit Causeway and the other associations involved in making this deal.

I expect that you are well aware that there are a small group of our owners suggesting that this is somehow not the path that we should be on, and that higher dues for existing owners would be a preferable option. The Board does not agree. Without options for new owners coming in, and more payers of the annual maintenance fees, we believe the long-term viability for Causeway would be in doubt. A shrinking base of owners paying more and more each year is not the answer.

This deal is something we have been actively working on for nearly 3 years. Also worthy of note is that Capital Vacations was not the only outside organization that was considered. The process made it clear that Capital was the best option for us given the funding, the business focus and future for us and the other associations. The issues faced by Causeway weren't unique. The other Minnesota timeshare associations and the industry, in fact, are faced with the same problems.

We would like to formally thank Narveson Management for all of their help and assistance in consummating this partnership. Not only did they have to be willing to merge their independent operations into the new Capital Vacations system, but Neal Narveson also committed to staying on and managing these Minnesota operations at Capital's request. We also want to thank Narveson Management for all of their assistance over the last 20 years. They were there to help on less than 24 hours notice in 2004, when our previous developer was caught dipping into our funds, and many times over the year's they carried us financially to the end of year's where unexpected expenditures had our association out of operating funds before the end of our

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budget year. We are thankful that these previous Narveson Management personnel will be here as we transition into the future.

Currently, the Board and its committees are planning for the initial expenditures that will be made for improving our vacation properties. This will be a process, as even with Capital's financial help, not everything can be done all at once. Our plan will be to continue the work that the owners were previously surveyed on. Things like furniture, new linens, beds, etc. within the unit interiors. More extensive exterior maintenance including unit staining, window and door replacement along with other exterior work will also be done to keep our units functional too. Capital Vacations is reviewing this matter as well and will provide us their recommendation. We also will likely begin removing existing hot tubs that are no longer functional or viable given current laws in Minnesota. We need to determine the best use for this space as well as considering the needs of our current and future owners.

On the information front, Capital Vacations is working on an updated website, but for now, please feel free to continue to contact us at the Causeway Front Desk. Our Capital Vacations Management staff will be happy to assist you. In the weeks ahead, the Capital Vacations Sales team will be at the resort and scheduling individual owner updates for you to learn more about their many vacation options. If you would like to schedule your personal update sooner than your next regularly planned visit to the resort, again, please feel free to contact the Causeway Management staff (877) 963-4855 and they will be happy to take your name and number and immediately send it in for scheduling your personal update request. This update will require you to visit the Capital Vacations offices onsite. If you are looking for help selling your timeshare week, Vacation Ownership For Less is still available under the new Capital management structure. You can list your week for sale with no upfront costs. Vacation Ownership For Less sells approximately 100 intervals each year for Minnesota timeshare families, and they can be reached at (218) 562-6450, to assist you with those potential resale needs. Our new Board has agreed that communications are critical and will be committing more resources to future mailings and other updates until the Causeway/Capital Vacations website and other communications methods are completely in place.

We would caution those that are looking to the Facebook group for making decisions about what is occurring within our property. We have seen wild accusations about the Board, Management, past and current policies, etc., etc. within this and other social media forums. Be advised that the Facebook group doesn't have any direct administration by the Board or Management Company, in fact, most of us are banned from even posting. Please do not let someone else's agenda determine your attitude about our collective future at Causeway.

Like all timeshare legacy resorts, we have lost owners over the years and the projects needed at the resort continue to grow. With new dues paying timeshare weeks and this major contribution of funds for refurbishment from our new Capital Vacations relationship, we are confident that Causeway on Gull is on a much better path for the future.

We appreciate the support that each of the owners have placed in the Board. We respect that you have elected us to represent you in the oversight and future of our resort. If you have specific thoughts and feedback, we look forward to hearing from you. You will see many changes happening this year not the least of which will include opportunities to communicate more effectively. Keep in mind that change takes time and we are confident that working together will ensure that our future is bright.

Sincerely,

The Causeway Board of Directors