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Customer Service:
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November 24, 2025

2026 MAINTENANCE FEE COMMUNICATION

Dear Sunchaser Vacation Villas Owner:

2025 Update:

2025 has been a challenging but successful year for the Resort and we hope everyone who visited enjoyed their time. We have managed a number of unique minor issues in the year including issues on the boundaries of our properties and our neighbors.

On the positive front, we completely replaced the playground at the Recreation Centre and are very pleased with our new installation. In addition, we replaced the Recreation Centre's front entry and awning. The 500 building deck resurfacing and repairs are nearing completion and the 500 building will be fully available in 2026.

2025 delinquency growth was within expectations/tolerances as many of our owners reaching their needed end of ownership due to age, personal or financial circumstances choose to cancel with the Resort over falling into default. We appreciate our owners who choose to cancel with the Resort to minimize the effect of their cancellation on our remaining owners.

The main issues in 2025 will show up in our 2026 budget in the form of required building maintenance and repair. In the 100 building, we discovered moisture issues that required temporary fixes in 2025 but will require more significant work in 2026. In the 500 building, our deck repair and resurfacing uncovered more extensive problems than expected which has both increased its repair cost and our anticipated costs for the 600 building in 2026 and the 800 building in 2027. At the Recreation Centre, we discovered a number of concrete and piping issues that require remediation in 2026 for operational and safety reasons. Additionally, the Resort continues to struggle with the durability of our hot water boilers due issues with the propane and hard water at our property. This has led to additional boiler replacements and more frequent expected replacements in the future.

Necessary refurbishment of the bones of the Resort is tough. As manager, we love being able to replace and improve owner facing items like televisions, sofas, beds and this year the playground. As owners, it feels like money well spent when you can see and use the costs incurred. "Behind the wall" costs don't feel great but that does not make them any less necessary so we hope you can appreciate their need as our Resort continues to age.

We were unable to perform the tennis court resurfacing this year. We maintain and operate the courts but they are on Fairmont Hot Springs Resort (FHSR) lands. FHSR changed owners in 2025 and we have not been able to obtain consent to do the work to date.

2026 budget:

We continue to monitor inflation and the effect it is having on our operational costs. While inflation seems to have stabilized, the new normal appears slightly above pre-Covid levels.

As discussed above, refurbishment is the major driver of 2026 and beyond costs. The 2026 budget is below 2025 levels in almost all areas other than refurbishment as we continue our efforts to operate the Resort cost effectively. However, as our Resort continues to mature/age, the yearly cost of refurbishment needs to grow. The number of long-life issues that need to be addressed will grow over the coming years.

We are addressing our refurbishment needs in several ways. First, through needed work in 2026, second through the expectation that our refurbishment budget will increase going forward relative to prior years, and third through implementing a long-term strategic review of the Resort to reflect both the Resort and our ownership base as we move forward in the coming years.

For 2026, we have numerous projects that need completion. These include: boiler replacement in the 700 building (~\$32k); emergency exit concrete stair replacement, basement repair and reflooring at the Recreation Centre (~\$110k); structural repairs and water drainage work at the 100 building (~\$235k); and deck repairs at the 600 building (~\$450k). As a result of these and other projects, the refurbishment budget for 2026 is ~\$1,000,000. To manage this substantial increase, we are allocating \$490k from the reserve fund with the plan to refund \$200k from the 2027 budget to prevent Biennial Even owners from bearing an unbalanced share of the long-term cost.

The budget includes \$100,000 in contracted services and off-site wages for the long-term strategic review. These costs are being charged to/recovered from the reserve. We do not expect any changes from the review in 2026 but will update owners in the 2027 communication or some other means as appropriate.

Overall, the year-over-year increase in gross costs is 9.63% (\$6.01 million versus \$5.48 million last year). Net costs (costs less revenues) have increased by 5.46% (\$4.70 million versus \$4.46 million last year) as we have allocated a substantial portion of the refurbishment increase to the reserve to keep the maintenance fee increase reasonable. As always, the final increase reflects our yearly increase in delinquency. Combined, the total maintenance fee increase for 2026 is 6.64%. While we always want to minimize the increase, the needed short and long-term adjustment to refurbishment costs requires the change.

As with prior years, we want to remind Owners that the Resort will take inventory back on a case-by-case basis for the benefit of all Owners. In these cases, the Resort charges a future carrying cost fee to allow the Resort to operate into the reasonable future. This is necessary to balance the right of the Resort to enforce outstanding maintenance fees against the practical reality that Owners may chose permanent delinquency and risk legal action/collections if the Resort is not willing to compromise.

We hope Owners understand that if they wish to terminate, a fair termination fee is necessary to prevent increased costs to remaining Owners who share mutually in operation of the Resort.

Payment methods for 2026 maintenance fees:

We can accept payment by Visa or Mastercard. However, if possible, we request that you pay by E-transfer, internet banking, or cheque as the credit card fees are substantial.

For US Owners, we have provided a US Dollar invoice amount on the budget summary on the next page. This amount is valid until January 31 and reflects the current exchange rate and costs. As always, if you can obtain a better exchange rate through your own bank, you can pay with a CAD\$ cheque or money order.

Payment options:

- 1) Internet banking: Internet banking options to include TD, Bank of Montreal, Scotiabank, RBC, CIBC, National Bank, Alberta Treasury Branches, and various credit unions. When paying by internet banking, please make sure to select the payee "Resort Villa Management Ltd." or "Resort Villa Management – SVV" as appropriate.
- 2) Mail: Send your cheque, money order or bank draft to our address on the invoice. Please note your CUSTOMER CODE (Example: SMITH12345) on the memo section of the cheque. ****Make sure to use the address listed on the invoice****
- 3) E-transfer: Please email your E-transfer payments to: customercare@northwynd.ca. Please include your CUSTOMER CODE (Example: SMITH12345)

Payment deadlines:

Maintenance fees are due and payable on January 31, 2026. As in prior years, we are providing an interest free two payment plan option for the maintenance fees (**post-dated cheques only with the first cheque dated January 31, 2026 and the second no later than February 28, 2026**) to help ease the burden of the timing of the maintenance fees. Please return both cheques with the stub from your invoice. **Reminder: You cannot book or deposit your time until your final maintenance fee payment has been made. Please make sure to call Vacation Ownership Services to book or deposit your week at that time.**

Necessary legal disclosure:

In general, most software as a service providers [IE: website hosting; Gmail; Facebook; Microsoft 365] use remote servers that are often located in other countries. Owners should assume any software as a service used by the Resort may provide some or all of the service using infrastructure located within the United States or countries outside of Canada, and that personal data may be transferred, process and stored outside of Canada. Specifically, Owners should be aware that our credit card payment processor and our timeshare software system provide some or all of their services using infrastructure located within the United States or other countries outside of Canada, and that personal data may be transferred, processed and stored outside of Canada.

We hope you had a happy and healthy 2025. We look forward to seeing you at the Resort in 2026 or to help with your exchange needs. Thank you once again for your continued support of the Resort. Should you have any questions with this communication, please do not hesitate to contact our Vacation Ownership Services team at **1-877-451-1250**.

Best regards,

“Signed”

Vacation Ownership Services
Resort Villa Management Ltd.

SUNCHASER VACATION VILLAS			
2026 Budget			
	2026 Budget	Villa Type	
		Terrace	2 Bedroom
Operating labour:			
Operating wages	1,552,585	\$ 489.14	\$ 575.46
Benefits	237,899	\$ 74.95	\$ 88.18
Total on-site wages and benefits	1,790,484	\$ 564.09	\$ 663.64
Off-site wages and benefits	462,705	\$ 145.77	\$ 171.50
Total wages and benefits	2,253,189	\$ 709.86	\$ 835.14
Non-wage staff costs	27,193	\$ 8.57	\$ 10.08
Total labour costs	2,280,382	\$ 718.43	\$ 845.22
Non-labour operating costs:			
Direct operating	96,045	\$ 30.26	\$ 35.60
Contracted services	206,853	\$ 65.17	\$ 76.67
Repairs and maintenance	212,638	\$ 66.99	\$ 78.81
General and administrative	411,992	\$ 129.80	\$ 152.70
Utilities	558,083	\$ 175.82	\$ 206.85
Insurance	248,015	\$ 78.14	\$ 91.93
Property tax	166,385	\$ 52.42	\$ 61.67
Total non-labour operating costs	1,900,011	\$ 598.60	\$ 704.23
Total operating costs	4,180,393	\$ 1,317.03	\$ 1,549.45
Refurbishment	1,045,101	\$ 329.26	\$ 387.36
Total costs before management fee	5,225,494	\$ 1,646.29	\$ 1,936.81
Management fee (15% of total costs)	783,823	\$ 246.94	\$ 290.52
Total costs	6,009,317	\$ 1,893.23	\$ 2,227.33
Reservation fees	(90,077)	\$ (28.38)	\$ (33.39)
Ancillary revenues	(203,342)	\$ (64.06)	\$ (75.37)
Reserve allocation	(1,012,696)	\$ (319.04)	\$ (375.35)
Total other revenue	(1,306,115)	\$ (411.48)	\$ (484.11)
Maintenance fee before GST	4,703,202	\$ 1,481.75	\$ 1,743.22
GST @ 5%		\$ 74.09	\$ 87.16
Total maintenance fee		\$ 1,555.84	\$ 1,830.38
US Dollar exchange rate		\$ 0.745	\$ 0.745
Estimate US Dollar MF*		\$ 1,159.10	\$ 1,363.64
*subject to change January 31, 2026			