

**CAUSEWAY ON GULL ASSOCIATION, INC.**  
**2014 ANNUAL OWNERS MEETING**  
**November 16, 2014**  
**The Kelly Inn, Plymouth MN**

1. The meeting was called to order by Association President, Mark Nagel. Also present from the Board were Pat O'Hara, Gloria Williamson, Steve Wagner, Dennis Nordstrand, Roy Jensen, Pat O'Hara, and Daryl Luthens. Chuck Standfuss was absent. Ad Hoc Committee members present were Rob Hanson, Shirley Mitchell, George Deliduka, Doug Weber, and Dennis Steele. Legal Counsel, Dick Hawke, was also present.
2. A motion was made and seconded to approve the minutes of the November 17, 2013 Annual Meeting. The motion carried.
3. The President's report was presented by Mark Nagel. Mark reported that the Association bought out the mortgage lien on the developer weeks that were previously foreclosed. The Association can now legally sell the intervals. Mark explained that this would be his last year serving on the Board. There have been a lot of issues resolved so he felt it was a good time to step down.
4. The Treasurer's report was presented by Dennis Nordstrand. Dennis reported on the following:
  - A. Dennis reported that expenses for 2014 were similar to 2013 and the association should be able to break even at the end of the year. There are no expected increases for 2015, so the Board kept the 2015 assessment amount at \$745/owner. Cash flow remains a problem. No fees are being assessed on the association inventory (300 intervals), delinquency continues to be problem particularly where the past developer left issues with owner deeds, and the number of intervals that have been obtained by scam companies are all considered when setting the budget. The good news for 2015 is there might be a buyer for a large block of the association's 300 interval inventory which would definitely have a positive impact on the association's revenue.
  - B. A question was raised on how owners should respond to the letters they receive from scam organizations. It was mentioned that reporting these organizations to the Attorney General and Commerce Department always helps, however, owners should do some research and have a valid complaint before raising an issue. An example was to ask potential resale companies if they are licensed. It is illegal to complete a real estate transaction without a real estate license.
  - C. A question was raised about letting owners deed their interval back to the Association. The association already has a number of intervals that are not paying maintenance fees and adding any more would increase the burden on the association members. And the association is not the entity that benefited from the sale of the interval, and is not in a position to put the burden on the rest of the owners.
  - D. An owner interrupted that financial report and commented that he has been trying to sell his intervals and can't. He had contacted some scam companies, but they want money to take his week, and he didn't want to pay. He presented three resolutions to the membership. After much rambling about the issue, a Point of Order was called. The owner should not have interrupted the financial report to present the resolutions and was ruled out of order at this point of the meeting. The Board was asked by the owner to look at the resolutions and present to the membership at the next meeting.
  - E. A motion was made and seconded to accept the Treasurer's report. The motion carried.
5. Resort Operations – Neal Narveson from Narveson Management reported on the following:
  - A. Neal announced that Causeway retained its Gold Crown Status with RCI for 2015.
  - B. The roof was replaced on units 21/22 and staining was completed on units 37/38.

- C. The maintenance staff was busy this past year. They repainted yellow safety stripes on the steps, trimmed many of the bushes, many trees fell during the summer storms and were cleaned up, the gazebo was removed, new pilings were installed, siding repairs were completed, hot tub repairs were completed to comply with the MN Department of Health requirements, walk-way boards were replaced, the men's and women's bathrooms were remodeled in the pool building,
  - D. Another roof replacement and staining is planned for 2015.
  - E. Neal commented that Myron, who owns Gull Lake Marina, is retiring and his son, Luke, will be taking over the business.
  - F. Neal clarified that the \$400 bonus weeks are for members only and are not marketed to the public.
  - G. Neal reviewed the history with Causeway Development and how the Association obtained their inventory. He explained that Global Exchange is interested in acquiring some of this inventory and will pay full maintenance fees. The process has already begun to make that happen, but it is not a sure thing yet. Global Exchange has requested a list of items that need to be reviewed and a formal agreement will need to be approved by the Board.
  - H. Neal explained that the resale company Vacation Ownership For Less (VOFL), is licensed and regulated by the State. Another sales agent was hired for VOFL and more effort will be made in 2015 to reach out to owners personally on site and on the internet.
  - I. Neal reported that the company who began selling fractional sales in the Gull 5 units went bankrupt and the building now belongs to Frandsen Bank. Representatives from the bank have been working with the owners who purchased intervals there and the Board. They currently intend to sell the three middle units as whole ownership and leave the end two units as time shared. All will pay a portion of the common area expenses of the resort.
6. Election of Directors – Three Board positions were up for election in 2014. Incumbent Doug Johnson and Ad Hoc Committee members Rob Hanson, and Shirley Mitchell were nominated. With three nominees for three Board positions, a motion was made and seconded to close nominations and cast a white ballot. The motion carried. Doug, Rob, and Shirley were elected to the Board.

George Deliduka was introduced as the newest member of the Ad Hoc Committee. Former Board members Dennis Steele and Pat O'Hara also agreed to also serve on the committee. If any owners are interested in serving on the Ad Hoc Committee in the future, they should contact Narveson Management or any of the current Board members.

7. Meeting Business:
- A. A question was raised on when the resort will get wireless internet. This is a discussion at almost every Board meeting. Because of the size and layout of the resort, it will cost over \$20,000 to install the hardware plus a large monthly fee. The Board feels that this is not a priority when the units need new roofs, carpet, and staining.
  - B. Owners asked the Board to consider lighting the boat trailer parking area, installing a fence around the foundation of the unbuilt Gull 5 units, and investing in LED lighting.
  - C. There was a brief discussion regarding internal trading.
  - D. It was reported that the approximately costs for exterior staining is \$6,000 per building, new roofs are \$12,000 per building, and windows are \$4,000 per building.
  - E. The Board is developing a long term plan for carpet replacement. The carpet in unit 18 was the first to be replaced this past year because of storm damage and an insurance claim.
8. A motion was made and seconded to adjourn. The meeting adjourned.