

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
April 21, 2012

1. The meeting was called to order by Association President, Mark Nagel. Also present from the Board were Pat O'Hara, Gloria Williamson, Glen Johnson, Doug Johnson, and Daryl Luthens. Dennis Nordstrand, Bob Edstrom, and Terry Miller were absent. Ad Hoc Committee members present were Roy Jensen, Rob Hanson, Steve Wagner, Joe Lanz, and Chuck Standfuss. Laura Johnson was absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson, LeAnne Rundhaug, and Carrie Elling were also present, as well as owner Sylvia Hanson.
2. It was noted that the minutes of the Board Meeting held January 14, 2012 were approved via e-mail.
3. Management Report:
 - A. Neal reported that there is a new contact person for Capital Source, Brian Lewis. He has spoken with him about working out an agreement so the weeks that are liened by Capital Source could be listed and sold. Capital Source is still unaware of what they own, and it is unsure that they understand what these intervals will actually sell for. Neal also mentioned that he met with Brian while he was attending the ARDA convention earlier this month. He hasn't heard anything since the meeting but will let the Board know when he does.
 - B. There was discussion regarding getting title commitments for the 49 intervals that are not encumbered by Capital Source, and the weeks that were deeded back to the Association from Point to Point Destinations, so they can be registered with the State. If Land Title won't write the title commitments because of possible problems with Capital Source, the Board may need to work out an agreement with them to release just those 49 intervals. It was mentioned that maybe the title company that Causeway Development used, could help the process. Dick and Neal will look into that option.
 - C. Neal reported that Vacation Ownership For Less (VOFL) has closed eight sales. One of those was a Causeway Association interval, which sold for \$6,000. The interval sold with RCI Points, which was the selling point for the buyer. He mentioned that, between all of the association managed by NMI, over \$100,000 had been collected in 2011 through the resale effort, so previously delinquent owners could list there week for sale with VOFL. He also reported that of the \$57,000 that was collected during the first quarter of 2012, \$9,662 was from Causeway owners. Board members have been a big help in selling weeks.
 - D. Neal explained that one year ago he started working on a tax appeal for the Breezy associations to reduce property valuations in an effort to reduce real estate taxes. They had to hire an attorney and the matter is still pending. He began the process for Causeway earlier this month by bringing a request for a \$6 million reduction to the Lakeshore city council. Although an appeal to the city is the first step in the process, he did contact the county prior to this meeting to let him know what he had intended. The city council only has the ability to make adjustments up to 1% of the value of the city. The county assessor was at this initial meeting and everyone was very receptive to his request. Although he was only making the request for those taxes payable in 2013, he had until April 30th to include those taxes payable in 2012. He has already heard back from the city and they have offered a 33.4% reduction for those taxes payable in 2013. The city is asking for Board approval of the offer. Following discussion, a motion was made and seconded to resolve, that Causeway on Gull Association, Inc. accept the settlement reached with the Cass County Assessor by our property manager for the estimated market values of the Association property for the 2012/2013 real estate tax assessments, if said agreement is also ratified by the Cass County Board by April 27, 2012. Be it further resolved, that upon full ratification by both parties to said settlement, all other current consideration of challenges to the real estate tax assessment of Association property, both present and past, be terminated. The motion carried.

4. Committee Reports:

- A. Finance Committee – Neal reported that the cash balances are down from last year, and receivables have increased, but efforts are being made to resolve the situation. To date, \$17,591 has been collected from the Bonus Week offer. The collections department reported that approximately \$3,800 a month is being collected from payment plans that have been set up with delinquent owners. However, selling those weeks owned by the Association will still have the greatest impact on the financial health of the Association.
- B. House and Grounds Committee:
1. Glen requested that funds be set aside for tree replacement. The Board directed that \$1,000 be reserved for tree replacement in 2012.
 2. There was discussion regarding replacing the wood chairs on the decks with a good quality resin chair, when necessary. Gloria will give some ideas on what should be used to management.
 3. Neal reported that hot tub repairs will continue and living room furniture will be purchased for a few units.
 4. Glen requested that the sand be removed at the Cabana parking lot to allow for more parking spaces.
 5. Neal also mentioned that the Board may need to consider asphalt repair/replacement in the future. Glen will talk to Clayton about it.
 6. Gloria asked for volunteers to inspect a few units after the meeting
 7. There was discussion regarding the maintenance schedule for painting/replacing the metal entry doors.
 8. Neal reported that the woodpeckers have done considerable damage to unit 19/20. There was discussion on how to possibly detour them from attacking the units.
- C. Communications Committee:
1. Pat reported on the changes that have been done to the causewayongull.org website. A picture gallery was added along with floor plans, directions and map, and the Association Documents. He also made some suggestions on things that need to be updated.
 2. Pat explained that he and Mark did some checking into creating a page on Facebook for the Association. He has some pricing information from Queen Bee Media who could help develop the page and do some training to whoever was going to manage it. Steve also mentioned that he had someone who might be able to help. Following discussion, a motion was made and seconded to spend up to \$600 to initiate a Facebook page for the Association. The motion carried.
- D. Policy Committee:
1. Bob had sent a summary of Association policies to the Board prior to the meeting. The Board reviewed the policies and discussed what needed to be communicated to owners/guests, and what policies should be subject to a penalty if violated. Following discussion, a motion was made and seconded to set a \$500 penalty for violating a resort policy plus the costs to remedy. The motion carried. The Board reviewed a letter Mark had written regarding the policies that was going to be sent to the members. He asked that if anyone had changes to either Bob's list, or his letter, that they contact them by Friday, April 27th.
 2. Bob reported that the committee is still working on the donations policy. He hoped to have something circulated via e-mail to the Board in May.

5. Meeting Business:

- A. Neal reported that People's Bank is requesting that the Association reduce the line of credit to \$150,000. Following discussion, it was determined that the line of credit should remain at \$250,000. Mark will communicate this to the Rod at People's Bank.
- B. Neal reported that he was approached by Thompson Exteriors, who specializes in working with HOA's on insurance claims for roof, window, and siding replacement. They believe that the Association has a valid claim to get the roof replaced on the Marina building. The Association would be responsible for the \$5,000 deductible but insurance should cover the rest of the costs. Mark would have to sign a Limited Power of Attorney so Thompson could work with the insurance company. Neal has contacted the agent from Auto Owners to see if this was a legitimate approach to handling the claim and it is. Following discussion, a motion was made to work with Thompson Exterior and submit an insurance claim. The motion carried.
- C. Mark suggested that the Association join MERSC. It is an organization that provides discounts to employees. (Usually these are employees of larger companies who offer MERSC as a benefit.) The Association could offer a 10% discount to MERSC members. This could help rentals and increase visibility. The annual membership fee is \$300. A motion was made and seconded to join MERSC. The motion carried.
- D. There was discussion on what items could be offered for the raffle during next year's Annual Meeting.

6. A motion was made and seconded to adjourn. The meeting adjourned.