

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
April 30, 2011

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, Daryl Luthens, Dennis Nordstrand, and Bob Edstrom. Terry Miller was absent. Ad Hoc Committee members present were Roy Jensen, Rob Hanson, Joe Lanz, Steve Wagner, and Chuck Standfuss. Laura Johnson was absent. Legal Counsel, Dick Hawke, and Narveson Management representative LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the Minutes of the Board Meeting held January 29, 2011, as corrected. The motion carried.
3. Committee Reports:
 - A. Finance Committee - Dennis reported that the cash is down from last year and outstanding receivables have increased. He reviewed some of the line items from the first quarter financial statement. There was discussion about how to financially track the Causeway Development receivables with the foreclosure action that took place. LeAnne was directed to contact the tax accountant to see the best way to do this.
 - B. House and Ground Committee – Glen asked for a formal vote on a tree replacement plan for the resort. Following discussion, a motion was made and seconded to approve \$5,000 as described per the five year plan. The motion was amended to spend up to \$5,000 per year at the Board's discretion. The motion carried.
Gloria commented that the resort is receiving poor ratings for appliances and furnishings. Appliances are currently replaced as necessary. Management was asked to check the price of installing glass top stoves instead of coil stoves. The Board reaffirmed its preference to convert the appliances to black as replacements are needed.
 - C. Communications Committee – Pat reported that he is getting things together for the Spring Newsletter. He would like to include a bio on Mark as the new Association President. He would also like to have an article on what took place over the Fall and Winter, pictures from the Annual Meeting encouraging owner to attend the next Annual Meeting, an update of the projects that were completed, and information about week 53. The Board discussed including weekly activities as well, and additional suggestions for those activities would also be encouraged. The Board also discussed adding a blurb on the Association website to the reservation confirmation.
 - D. Policy Committee – There was nothing new to report.
4. Management Report:
 - A. LeAnne reported that Gull Lake Marine is asking to have the roof replaced. The roof is in bad condition. The issue was tabled until a new bid and more information could be obtained.
 - B. The license application for the new resale company, Vacation Ownership For Less, has been approved; however, the actual license has not been received yet. This company is not affiliated with us, but is a sister company to our property manager. There was discussion regarding how the resale program may operate. Management was encouraged to get as many of the details worked out so they can move ahead as soon as the Association's re-registration is approved. There was discussion regarding the title commitments that may be needed for non-Association sales.

- C. There was discussion regarding the rental program and the possibility of decreasing the nightly rates. No formal action was taken.
- D. LeAnne reported that they are moving ahead with the hot tub project. Installing new hot tub covers and hand rails will be one of the next priority items.

5. Old Business:

- A. Dick reported that the redemption period on the current group of foreclosed weeks expires May 10th. We believe that 47 of those intervals are not subject to a lien from CapitalSource. Our title work will determine if that is accurate.
- B. Dick also reported that the paperwork for the re-registration the Association with the Department of Commerce is almost complete. He has been looking into companies to do the title commitments and will order the commitments required by the state early next week.
- C. It was reported that Point to Point Destinations deeded their intervals in both Causeway on Gull Association and the GLRC 5-plex back to the Association. They also paid the 2011 maintenance fees for those intervals that were going to be occupied. The Board is working with the lender for the GLCR project to define its status. A document is being drafted by their attorney to provide that structure and to legally bring the GLRC units properly into the Association. Their attorney would like to leave the units as fractional with the option for whole ownership. Dick will review and comment on these documents before they are presented to the Board for consideration.

6. New Business:

- A. There was discussion regarding the request from MN Surf Co to use part of the beach area in front of the sales building. It was determined that, pursuant to the Association CCR's, the request could not be granted.
- B. The Board reviewed bids for new laptop and table top computers. Following discussion, a motion was made and seconded to purchase a new laptop for the Front Desk Manager. The computer she is currently using should be moved to the recreation room for owners to use. The motion carried. The Policy Committee was directed to develop a policy and form for all employees to sign regarding use of the computers.
- C. There was discussion regarding meeting and mileage expense reimbursement for Board members. Following discussion, a motion was made and seconded to reimburse mileage for Board members who have to travel more than 30 miles, one way, to attend a Board meeting at the current IRS rate. This does not include lodging. The motion carried with 5 in favor, 1 against, and 1 abstention.
- D. Management was directed to obtain a bid for the construction of steps from the 6-plex down to the pool area.
- E. LeAnne shared a letter that was sent from an owner who would like the Board to consider changing the units to non-smoking units. Following discussion, a motion was made and seconded that a note be put in the check-in packet, and in the units, stating the Board's request, in the spirit of the Minnesota Public Clean Air Act, that the owners refrain from smoking in the units. The motion carried. The subject may also be a topic for discussion at the next Annual Meeting.

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