

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
January 9, 2016

1. The meeting was called to order by Steve Wagner. Also present from the Board were Doug Johnson, Roy Jensen, Dennis Nordstrand, Shirley Mitchell, Chuck Standfuss, and Doug Weber. Daryl Luthens was absent. Ad Hoc Committee members present were Pat O'Hara, Rob Hanson, and George Deliduka. Gloria Williamson and Dennis Steele were absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the minutes of the Annual Meeting for distribution, and the Meeting Before the Annual Meeting, as corrected, both held November 15, 2015. The motion carried.
3. Election of Officers: A motion was made and seconded to elect Steve as President, Roy as Vice President, Dennis N. as Treasurer, and Pat as Secretary. The motion carried.
4. Management Report - Neal reported on the following:
 - A. He did contact Luke from the Marina to let him know that, pursuant to the rental agreement, he couldn't store boats on the hill. Neal mentioned that one of the boats on the hill was a former employees and he was contacted and directed to move it.
 - B. Luke asked for the email addresses of some of the owners to invite them to boat shows. Following discussion, it was determined that because of privacy laws, the Board cannot give him the owners email addresses; however, management was directed to post something on the Association's Facebook page regarding the boat show. Flyers could also be given to guests at check in.
 - C. The deal with Global Exchange (GE) is almost complete. The North Beach deal was approved in early December, and Causeway was approved right before Christmas. Steve had signed an extension on actually closing the deal and sent it to the closing company. Neal hopes to have the formal closing sometime in January. GE would like to look at obtaining another batch of intervals yet this year, if possible.
 - D. Vacation Ownership For Less had a good year in 2015, with over 100 sales.
 - E. There was a brief discussion regarding occupancy of the units. With the GE intervals being banked into the RCI system and Expedia reservations, higher occupancy can be expected moving forward, especially in the summer months.
 - F. He is working with a company to possibly sell some of the off season intervals at Breezy Point. The company bases everything off RCI Points values. They will add Points to what is sold but will also offer a reduced maintenance fee that will increase gradually over a few years. There was discussion regarding the pros and cons of affiliating with this type of company.
 - G. Frandsen Bank obtained full ownership and control of the GLRC units on December 14, 2015. The name of that association is Gull Five Association. Those owners will now pay a per unit, per month fee, which was initially set at \$399. The fee is to cover 1/69th of the common area expense and any management fees. There are still seven timeshare owners in units 135 and 155 will they have to pay an additional fee to cover administrative, housekeeping, and maintenance costs. Although Neal has no strong desire to manage this 5 unit property, he would like to continue renting the units when they are available and he sees the need to keep these units working closely with the rest of the resort. The current rental agreement with owners splits any revenue received between the owner (35%), the Association (25%), and NMI (10%). He would like to continue this same type of split with the bank except include an additional housekeeping charge of \$100 per reservation, to be paid to NMI. Following discussion a motion was made and seconded to approve the 65/25/10 split with the additional \$100 housekeeping fee for the units owned by Frandsen Bank. The motion carried.

- H. Sandy Bahr was recently promoted to Maintenance Manager.
 - I. The Minnesota Department of Health (MDH) recently fined one of the Breezy associations for not making repairs as they directed on the spas. Therefore, Neal suggested completing at least some of the repairs they have identified, so they are aware we are trying to comply.
 - J. Bids are being sought/updated to install an access to the hot tub in the pool building. This will make it easier to complete some of the repairs that are needed. A previous bid was obtained for \$3,500.
 - K. Dick updated the Board on the status of the CGVI foreclosures. Developer weeks, scam companies, intervals with deed issues, and delinquent owners were all included in the CGVI foreclosure. The redemption period should end approximately April 10, 2016, and then discussion can start on deeding weeks back to the Association.
5. Committee Reports:
- A. Finance Committee – The year end financials had not been prepared so there was nothing new to report on since the Annual Meeting.
 - B. House and Grounds Committee – Roy reported that there is a significant roof leak in units 23/24 and suggested that the roof should be replaced in the Fall, if funds allow. He also mentioned that the couches and carpet should be replaced in the front desk building. There was discussion regarding other maintenance issues.
 - C. Communications Committee – Pat reported that the newsletter is almost done. There was discussion regarding additional subjects that could be included in the newsletter. Neal mentioned that he is still trying to get an email data base set up to better communicate special offers to the members.
 - D. Policy Committee – There was nothing new to report.
6. Meeting Business:
- A. The next year's meetings were scheduled as follows:
 - Saturday, April 30, 2016. The Board will meet at Causeway at 10:00 AM.
 - Saturday, July 16, 2016. The Board will meet at Causeway at 10:00 AM
 - Saturday, October 1, 2016. The Board will meet at Dick's office at 9:00 AM.
 - Sunday, November 13, 2016. The Board will meet at 10:00 for a Meeting Before the Annual Meeting and the Annual Meeting will be held at a location TBD in in the twin cities at 1:00 AM
 - January 7, 2017. The Board will meet at Dick's office at 9:00 AM
 - B. A motion was made and seconded to approve Dick's retainer agreement with a deferred payment option. The motion carried.
 - C. There was discussion regarding scam resale companies and efforts to stop possible fraudulent transfers.
 - D. Doug commented that he forwarded LeAnne and email identifying four points from the Lakeshore Newsletter. A fire department substation was created in Lakeshore. Three heart defibrillators were purchased. One of those was placed at Zorbaz. As AIS enforcement officer will be at boat accesses to check for Aquatic Invasive Species. And the police department will be providing extra security to Zorbaz on the weekends and holidays.
 - E. There was a brief discussion regarding solar lighting. Steve will look into the subject further.
7. A motion was made and seconded to adjourn. The meeting adjourned.