

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
July 18, 2015

1. The meeting was called to order by Association President, Steve Wagner. Also present from the Board were Gloria Williamson, Doug Johnson, Roy Jensen, Dennis Nordstrand, Daryl Luthens, Rob Hanson, and Shirley Mitchell. Chuck Standfuss was absent. Ad Hoc Committee members present were Pat O'Hara, Dennis Steele, Doug Weber and George Deliduka. 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 Board of Director's Meeting held May 2, 2015, as corrected. The motion carried.
3. Committee Reports:
 - A. Finance Committee – Dennis reported that the Finance Committee met in June. It was necessary to draw on the Association's line of credit with Neighborhood National Bank. Neal met with representatives from the bank to discuss increasing the line of credit to ensure that there will be enough money available to make it through the end of the year. There was discussion regarding what the bank is suggesting and other options. There was also discussion regarding the extra collection efforts that are being made.

Neal reported that the process with Global Exchange (GE) acquiring a block of weeks has gone slower than had hoped. There has been a little progress in seeking approval North Beach Resort (the other association that GE is working with), so he hopes Causeway isn't far behind. He reminded the Board that Causeway will receive the first quarterly payment when the transaction closes, so Causeway could still receive some funds from them later this year.

Dick reported that he is getting the list ready for the mortgage foreclosure action being commenced by CGVI. He intends to foreclose the remainder of the developer intervals, all intervals owned by scam companies, and all Contracts for Deed in order to help owners who are having issues getting their deeds. He also explained that there may have to be a 12 month redemption period instead of only 6 months on this type of action.

Following discussion, a motion was made and seconded to open a secured line of credit and financing on the collateral of Outlot A, and to authorize Steve and Neal to sign on behalf of the Board. The motion carried. It is anticipated that this total funding will be around \$900,000.

- B. House and Grounds Committee – Roy reported that 90% of the items that were identified during the walk through inspection of the units have been taken care of. Many of the ongoing projects have been put on hold until later this year to see if funds are available, however the Board had previously authorized the purchase of a new (used) van for housekeeping, purchasing a new elliptical machine, and painting the indoor pool, so those items are or will be done.
- C. Communications Committee – Pat reported that he is working on the next newsletter. There was a brief discussion on what could be included in it.
- D. Policy Committee – It was reported that the committee is still working on the ownership transfer policy.

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4. Management Report - Neal reported on the following:
 - A. The only things that were damaged during the recent storms were the deck on unit 14, which has already been repaired) and the roof of one of the golf carts.
 - B. Both Causeway and Breezy Point Timeshare are now affiliated with Expedia. Hopefully this will increase the number of public rentals and generate some extra revenue for the Association.
 - C. Gladys recently resigned from her position as Housekeeping Manager. Tawnya, who has been a long time employee and worked in both housekeeping and maintenance, was promoted to fill the position.
 - D. The current management contract will expire in 2016. Neal will propose the next three-year contract during the next Board meeting.
 - E. Neal briefly explained how the changes to both the minimum wage and health care have affected labor costs.
 - F. The dock has still not been repaired. Management has had trouble getting contractors out to look at it. There was a brief discussion regarding ways to get some of the projects completed.
 - G. It was reported that 105 fall 2014 and spring 2015 intervals were used for bonus weeks, and 35 intervals have already been reserved for this fall and winter. The program has been very successful.
5. Meeting Business:
 - A. There was a brief discussion on what other types of activities could be offered.
 - B. Neal updated the Board on the status of the Gull 5 units.
6. A motion was made and seconded to adjourn. The meeting adjourned.