

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
July 24, 2010

1. Association President, Tom Kraus called the meeting to order at approx. 10:00 a.m. Also present from the Board were Pat O'Hara, Gloria Williamson, Glen Johnson, Doug Johnson, Terry Miller, Mark Nagel, and Bob Edstrom. Jim Kirkpatrick was absent. Ad Hoc Committee members present were Daryl Luthens, Robert Hanson, Laura Johnson, Chuck Standfuss, and Dennis Nordstrand. Legal Counsel, Dick Hawke, and Narveson Management Representatives Neal Narveson, Carrie Elling, and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the minutes from the Board Meeting held May 1, 2010 as amended. The motion carried.
3. Management Report:
 - Neal reported that the Frandsen Bank has not formally foreclosed on COG Partners and they feel that it is not their responsibility to pay maintenance fees for the unsold weeks in units 135 and 155, or to pay the utility bills for the three interior units (140, 145, and 150). The bills for those units are being paid by the Association as directed by the Board. There is a signed rental contract for 2010 with COG Partners. The units are being rented and any revenue received is being applied to outstanding maintenance fees and other costs for those units.
 - A bid to replace the roof on the Marina was obtained from Schneider Brothers Construction (\$19,115 plus \$3,500 for new skylights \$22,615 total). Due to financial constraints, no action was taken at this time.
 - LeAnne asked for the Board to consider changing the current bike policy. Following discussion, a motion was made and seconded to amend the current policy and remove the four hour time limit and allow the bikes to be used daily and returned nightly by 8:00 PM; bikes will be allowed off of the resort property, however minors must be accompanied by an adult when doing so; and safety helmets should be made available. The motion carried.
4. Committee Reports
 - A. Finance Committee – Mark reported that maintenance fee payments are not coming in as expected and the Association may have about an \$80,000 shortfall. There was a lengthy discussion on the foreclosure process and options on what to do with intervals as they come back to the Association. The collection process and how it could be improved was also discussed. Management was directed to continue to research resale options and bring a recommended 2011 budget cost for discussion during the September and October finance meetings.
 - B. House & Grounds Committee – Glen made recommendations for a tree replacement plan. He suggested that pictures be added to the web-site showing some of the improvements that have been done and commented on other maintenance issues that should be addressed. He suggested installing banners along the entrance to the resort. LeAnne reported the 48 flat screen TV's have been purchased and installed and 12 more are scheduled to be delivered this month. New TV stands will need to be purchased for ten units. The Board approved the style presented. A few units will require the TV to be mounted on a bracket on the wall.

- C. Communications Committee – Pat reported that he is working on the next newsletter. It will include an article about the new Office Manager, Carrie, as well as the front desk staff, updates to the units, the RCI maintenance fee payment policy, and information about the Association web-site. It was suggested that this time the newsletter be mailed to owners and noted that future newsletters will be posted on causewayongull.org.
5. Old Business:
- A. Dick updated the Board on the progress of the Causeway Development foreclosures. \$12,000 has been paid for title work and \$10,000 for legal expense. The Sheriff's Sale will be scheduled after the publication notices (6 weeks). Following discussion, a motion was made and seconded authorizing payment of \$3,000 to Dick's trust account to pay for the publication fees for the foreclosures. The motion carried.
- B. Following discussion, a motion was made and seconded to sunset the special assessment on all Association owned weeks. The motion carried.
- C. Dick updated the Board on the progress of the licensing process with the Department of Commerce. As part of the license application, the Board must authorize the Commerce Department to accept service for the Association if someone wants to sue because of a sale. A motion was made and seconded authorizing the Department of Commerce to act as our agent for this purpose and direct the Association President to sign the required authorization form for the license application. The motion carried.
- D. Following discussion, a motion was made and seconded to authorize payment to Dick's trust account in the amount \$3,250 for registration costs and title commitment fees for the three weeks being registered with the Commerce Department. The motion carried.
- E. Neal commented that efforts are being made to establish an Owner Services Department that would include the operation of a resale program. He explained that Tom will be attending a President's Meeting in September, along with the Breezy Point association president's for discussion on the subject and to determine what financial commitment will be needed from the various associations for the program to operate.
6. New Business:
- A. There was discussion of weeks owners would like to deed back to the Association. Following discussion, a motion was made and seconded to take back unit 17, week 8, and unit 28, week 46 odd because of bankruptcy. The motion carried.
- B. An owner requested permission to do a demonstration and sales presentation for a juice product during their stay (week 9). The request died due to lack of a motion.
- C. There was discussion regarding giving incentives to owners to attend the Annual Meeting. Laura volunteered to put something together.
- D. The next Board Meeting is scheduled for Saturday, October 23, 2010. The Board will meet at Dick's office at 9:00 AM.
7. A motion was made and seconded to adjourn. The motion carried and the meeting was adjourned.