

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
April 26, 2014

1. The meeting was called to order by Association President, Mark Nagel. Also present from the Board were Pat O'Hara, Gloria Williamson, Doug Johnson, Steve Wagner, Roy Jensen, Chuck Standfuss, and Daryl Luthens. Dennis Nordstrand was absent. Ad Hoc Committee members present was Rob Hanson. Douglas Weber, Shirley Mitchell, Bonnie Klitzke, Glen Johnson, and Joe Lanz were absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson and LeAnne Rundhaug were also present.
2. Two owners were in attendance. They voiced their concerns to the Board regarding maintenance issues, increasing maintenance fees, and how the money that is collected from owners is spent. They also had questions regarding the status of Causeway Development, the Gull Lake Residence Club (GLRC), foreclosures, delinquency, and the collection process. Both owners were very complimentary of the Board's work.
3. A motion was made and seconded to approve the minutes of the Board Meeting held January 11, 2014.
4. Management Report:
 - A. Neal reviewed the 1st quarter financials. He commented that he is still concerned about the association receivables and cautioned the Board about planning any more major projects until a full plan comes together on the unsold inventory of weeks.
 - B. People's Bank refinanced Outlot A to help with the CapitalSource buyout. The line of credit will be \$250,000 for the coming year.
 - C. The roof has been replaced on units 21/22.
 - D. The exterior staining was recently completed on units 37/38.
 - E. The dock for the gas pump was repaired with proper bracing.
 - F. Maintenance is continuing to bring the hot tubs into compliance with the Minnesota Department of Health (MDH), however, they are now questioning compliance in regard to checking the hot tub chemicals.
 - G. Neal received the valuation notices for taxes payable in 2015, and noticed that the property for Outlot A increased approx. 19% so he appealed on behalf of the Association. He was successful and the valuation was dropped from \$694,200 to \$619,400.
 - H. Neal reported that bed bugs were found in one of the units. He explained the procedures that need to be followed when bed bugs are identified. The staff and pest control company acted quickly and the bugs were contained to only one unit.
 - I. Destiny Cruises inquired again about storing their boat on the hill by the GLRC units over the winter. Following discussion, the Board agreed not to allow them to store the boat at Causeway.
 - J. VOFL collected \$7,430.50 for Causeway in the 1st quarter. 42 owners are on payment plans.
 - K. A donation of \$125 has been requested for the Gull Lake Lighted Trail. Following discussion, a motion was made and seconded to approve the donation. The motion carried.
 - L. A new computer is needed in the recreation area for the owners. A motion was made and seconded to approve spending up to \$1,000 for a new computer. The motion carried.
 - M. Management was directed to install better fencing around the foundation of the other unbuilt GLRC unit.

5. Committee Reports:

- A. Finance Committee – Neal reported on the Association finances during the Management.
- B. Policy Committee – There was nothing new to report.
- C. House and Grounds Committee – Roy reported that he and a few other Board members met with the Housekeeping Manager, Gladys, and the Maintenance Manager, Jim, to inspected units on Friday. He found mostly cosmetic problems inside the units and is more concerned about the exteriors of the units at this time. He would like to have more exterior staining completed. Roy encouraged other Board members to participate next time.

It was mentioned that carpet replacement is needed. The worst wear noticed in the units was on the stairs. It would cost approximately \$5,000 to \$6,000 to replace all the carpet in the unit. There was discussion regarding how carpet replacement could be completed, and possible other options for the treads on the spiral stairs. The current projects are roof replacement, exterior staining, and window replacement. Carpet replacement may need to be added to that list. Management was directed to obtain a bid for carpet replacement as discussed.

Other minor maintenance items were discussed. Management was directed to check to see if another roof should be replaced and to determine which two units should be scheduled for roofs, exterior staining, and window replacement. Neal mentioned that the liner on the indoor pool will need to be replaced. A motion was made and seconded to stain one more unit this year. The motion carried. Management was also directed to continue with the tree plan.

- D. Communication Committee – Pat reported that the Spring Newsletter is complete and posted on the Association web-site.

6. Meeting Business:

- A. Dick reported on the status of the Association inventory.
- B. Neal has been looking into possibilities for e-mail communication with the owners.
- C. Global Exchange has indicated that they would still like some intervals at both Causeway and Izatys. Neal has been working with them on another deal and would like to see how that goes before proceeding on anything with Causeway.
- D. There was a brief discussion on options for marketing unsold intervals.
- E. Neal reported on the number of intervals that are deeded to fraudulent scam companies. The outstanding maintenance fees total over \$1 million between the associations managed by NMI. There was discussion regarding what could legally be done to stop transfers to these companies.
- F. Dick reported on the status of the two probate proceedings he was working on. Following discussion, a motion was made and seconded to accept title to the intervals in exchange of past fees. The motion carried.
- G. There was discussion regarding some of the Association policies. Dick explained the reasons for some of the older policies.
- H. It was explained that Gull Lake Marine uses several of the parking spaces in the Spring when they are servicing boats. If it is ever an issue for owners/guests, they move the boats.

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