

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
January 11, 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, Dennis Nordstrand, Roy Jensen, and Daryl Luthens. Chuck Standfuss was absent. Ad Hoc Committee members present were Douglas Weber and Rob Hanson. 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. A motion was made and seconded to approve the minutes of the Meeting Before the Annual Meeting, the Annual Meeting for distribution, and the Meeting Following the Annual Meeting, all held November 17, 2013. The motion carried.
3. Management Report:
 - A. The roof on units 47/48 was completed in November. Unit 21/22 is the next roof scheduled for replacement. It should be completed next Spring.
 - B. Exterior staining on unit 37/38 is scheduled for next Spring.
 - C. Neal explained that he recently met with the Minnesota Department of Health regarding the hot tub repairs. They want a firmer commitment on when the repairs will be completed and would like a signed plan from management. A plan was drafted. The scheduled repairs for January – June will cost approximately \$5,000. He also mentioned that the MDH is requiring that the hot tubs be inspected every day using a special test kit. The staff will try to accommodate the best they can but it will take a significant amount of time to test every tub, every day. A question was raised on if hot tubs need to be tested during an owner's occupancy, and if the Association should do what is necessary to define when hot tubs should be tested. There was discussion on how to minimize possible costs.
 - D. There are currently 106 Causeway units listed with Vacation Ownership For Less, 31 intervals have been sold to date, and 3 sales are pending. \$17,366 was collected on delinquent maintenance fees through VOFL in the 4th quarter and \$51,692 total for 2013. There is a \$10 per owner contribution from the Association.
 - E. Some owners have requested that their interval be allowed to be deeded back to the Association. The Board does not usually allow owners to deed their intervals to the Association except under extreme hardship. It was suggested that a committee work with management on the subject.
 - F. The Association joined the Nisswa Chamber of Commerce.
 - G. An article was recently published in the local paper about Causeway receiving an RCI Gold Crown status.

4. Committee Reports:

- A. Finance Committee – Dennis reported that he reviewed a preliminary set of year end financials and the Association didn't end the year as well as in 2012, however the sales from the foreclosed weeks will help with cash flow in 2014. The line of credit hasn't been paid off yet. The Association is asking for an additional \$200,000 to clear title to the foreclosed inventory and to obtain other rights from CapitalSource.
- B. Policy Committee – There was nothing new to report.
- C. Communication Committee – Pat reported that there have been a lot of hits on the Association's Facebook page. Some updates still need to be done on the web-site page however. He is working on the Winter Newsletter and asked for input from the rest of the Board. A discussion followed on what could be added to the newsletter.
- D. House and Grounds Committee – Gloria explained that she had initially thought that spending two days going through the units every other year would be sufficient, but now feels that it should be done every year and asked for volunteers to meet the Friday before the April 26th meeting to inspect the units. Roy, Rob, and Sylvia volunteered.

5. Old Business:

- A. Dick announced that the new company CGVI Holdings, Inc. was formed and explained how this company will operate.
- B. Dick reported that he is still working on an owner probate situation that was started last Fall.

6. New Business:

- A. Mark would like to see additional work done on collections and marketing, with the goal of decreasing delinquency and increasing the value of timeshare. Neal added that the Association inventory can be sold with an RCI Points option. He also explained that the Association may always own a certain number of [off season] weeks that could be used for public rentals or bonus weeks.
- B. The committees were assigned as follows:
 - Finance/Collections – Dennis (chairperson), Steve, Joe, Daryl
 - Policy – Doug (chairperson), Chuck, Rob
 - Communications/Marketing – Pat (chairperson), Rob, Gloria, Roy, Mark
 - House and Grounds – Roy (chairperson), Gloria, Glen, Bonnie, Shirley
- C. A motion was made and seconded to approve Dick's retainer agreement. The motion carried.

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