

**CAUSEWAY ON GULL**  
**BOARD OF DIRECTORS MEETING**  
**July 16, 2016**

1. The meeting was called to order by Roy Jensen. Also present from the Board were Shirley Mitchell, Pat O'Hara, Doug Johnson, Dennis Nordstrand, and Daryl Luthens. Steve Wagner, Doug Weber, and Chuck Standfuss were absent. Gloria Williamson. Rob Hanson, Dennis Steele, and George Deliduka were present from the Ad Hoc Committee. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson, LeAnne Rundhaug, and Tria Squires were also present.
2. A motion was made and seconded to approve the minutes of the Board Meeting held April 30, 2016, as corrected. The motion carried.
3. Management Report - Neal reported on the following:
  - A. Neal reminded the Board that the Association does not have a line of credit with the bank this year, so watching spending is important. He will meeting with a bank representative next week. They will be checking to see if the Association is cash flowing. If things look good, the interest rate on the loan should go down at renewal in October. This will be reviewed annually as the loan renews.
  - B. It was noted that Sandi (Maintenance Manager) has done a good job getting things done around the resort with little money.
  - C. There was no commitment to replacing a roof this year, but unit 29 has a bad leak and will need to be replaced as soon as funds allow. We hope to still get this done in 2016
  - D. Global Exchange (GE) only had use of, and paid maintenance fees, on about half of the inventory in 2016. They will pay maintenance fees on the entire inventory in 2017. The efforts for GE acquiring a second batch of intervals, hasn't been going well. There were some unexpected problems with some of the intervals and although the problems will get worked out, no additional maintenance fees on a second batch could be collected for 2016.
  - E. There still are a number of owners who haven't paid this year's maintenance fees yet. Neal will have the staff concentrate efforts on collection that money. He also reported that \$73,000 was collected through Vacation Ownership For Less this year. There was a brief discussion regarding collections and the collection process.
  - F. There was discussion regarding the recent storms and hail damage to the roofs. Owner, Jim Smith, is a roofing contractor and came out and checked the roofs. He felt that there wasn't enough damage to the roofs to submit a claim. He also expressed some concern about some of the work done by previous contractors.
  - G. The Gull Five Association is now paying their own expenses and their full unit share of the common expenses. Those units are included on the Association's insurance policy.
  - H. The dock repairs have been completed, but we have not installed a new floating dock yet at the boat landing.
4. Committee Reports:
  - A. Finance Committee – There was nothing additional to report.
  - B. House and Grounds Committee – Roy reported on the projects that the maintenance staff has completed, and the projects that still need to be completed. Some of the newer projects were the retaining wall by units 9/10 is falling apart and will need to be fixed asap, the retaining wall by the canoes will need to be filled in, the roofs on units 25/26, 29/30, and 31/32 are leaking, the maintenance building also has some bad leaks, the outdoor hot tub leaks, and the hot tub in unit 10 leaks but there is no way to access it to complete the repairs. He also mentioned that maintenance is down to only one golf cart and the old pickup truck is about to die.

- C. Communications Committee – Neal reported that RCI came out and made a promotional video of the resort and took some pictures. He hopes to get them posted on the Association web-site. There was a brief discussion regarding the dress policy for the staff and wearing name tags.
- D. Policy Committee – There was nothing new to report.

5. Meeting Business:

- A. Neal reminded the group that the reason CGVI was formed was to help clean up deed problems and make unproductive weeks productive. CGVI currently owns the inventory that was just foreclosed on.
- B. Dick explained some of the deed problems that are being found after the foreclosure, and the issues GE is having with some of the intervals that were included in the second batch of inventory.
- C. Dick also mentioned that CGVI is doing well financially.
- D. There was a brief discussion regarding raising the rental rates for golf carts. They currently rent for \$100/week or \$25/day. Management was asked to get a bid to purchase more golf carts to see if revenues could offset the cost.
- E. Owner, Jim Smith, explained that he inspected the roofs on July 8<sup>th</sup>. He questioned if the roofs were inspected after they were replaced as he believes maybe some things weren't completed correctly. He advised the Board to maybe use better spec sheets for bids in the future.
- F. The location and time of the October 1<sup>st</sup> meeting was changed to the resort at 10:00 AM.

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