

**CAUSEWAY ON GULL**  
**BOARD OF DIRECTORS MEETING**  
**July 21, 2012**

1. The meeting was called to order by Association President, Mark Nagel. Also present from the Board were Gloria Williamson, Glen Johnson, Doug Johnson, Daryl Luthens, Dennis Nordstrand, Bob Edstrom, and Terry Miller. Pat O'Hara was absent. Ad Hoc Committee members present were Roy Jensen, Rob Hanson, Steve Wagner, and Chuck Standfuss. Joe Lanz and Laura Johnson were absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson, LeAnne Rundhaug, and Carrie Elling were also present.
2. A motion was made and seconded to approve the minutes of the Board Meeting held April 21, 2012. The motion carried.
3. Management Report:
  - A. It was reported that three golf carts had been stolen. Two were found and are in working order, however one had significant damage and was reported to insurance. All of the golf carts are keyed the same, which could be why there is continued theft. Management was directed to have all carts keyed separately at a cost of \$50 per cart.
  - B. There was a discussion following regarding golf cart policies. Currently, the front desk will reserve a number of golf carts for owners/guests with handicapped needs. It appears this policy is being abused. Management was directed to have those handicap owners, who are requesting a cart, provide proof of handicap status similar to those required for a vehicle. It was also clarified that owners who own multiple weeks can rent a cart for the length of their stay.
  - C. There was discussion regarding leasing more golf carts. Dennis will look into the subject.
  - D. Neal reported that the outdoor pool will need to be resurfaced by next Spring, and it should be a priority project. Management was directed to obtain bids to resurface the pool, and to complete the necessary repairs. The repairs should be completed this Fall if possible.
  - E. The Marina roof project is complete and was covered by insurance, except for the \$5,000 deductible as previously agreed.
  - F. It was reported that the Cass County accepted the proposal over tax valuations. Using this year's numbers, this could save the Association as much as \$35,000 next year in real estate taxes.
  - G. Neal explained that the Association is currently making a \$10 per owner contribution to Vacation Ownership For Less (VOFL) for the owner retention efforts. VOFL has been a good collection tool because owners need to be current, or on a viable payment plan to list their interval. \$29,708 has been collected this year from owners who were delinquent and there have been nine sales. The Association will be asked to continue this program in conjunction with the Breezy Associations.
  - H. Neal reported that he and Dick are still working with Capital Source on a settlement agreement for the intervals that were foreclosed and are subject to their mortgage. An agreement needs to be reached before the intervals can be registered with the State and sold. There are forty-nine intervals that are not subject to the Capital Source mortgaged. Dick has been working with Land Title to get a title commitment on those intervals, so they can be registered and sold. There was a lengthy discussion regarding obtaining the title commitments, and what Capital Source might require to release the intervals. Following discussion, the Board directed Neal and Dick to move ahead as discussed. When the indemnification agreement is complete, it should be e-mailed to the Board. Dick was also directed to begin the foreclosure process on all delinquent owners, regardless of their deed status.

- I. Neal reminded the Board that the Management Contract will be renewing next year. He invited Mark to attend a President's Meeting that is being held in September. The subject is an item on the agenda, and annual increases will probably be around 3%, as they have been in the past.
- J. It was reported that the Association's line of credit with People's Bank did not change. It is still \$250,000.
- K. Neal reported that there hasn't been much progress with Frandsen Bank on the Gull Five units. The last time he spoke with them, they were looking into whole ownership. Neal did ask about signing rental contracts, as a way to generate revenue but they did not want us booking reservation too far in advance, so only last minute rentals are being taken for those units.

4. Committee Reports:

- A. Finance Committee – Dennis reported on the second quarter financials. The cash flow isn't as good as it was last year, and the Association may need to draw on the line of credit earlier in the year. There is some delinquency within the Association and the problem could get worse before it gets better, however steps are being taken to resolve the issue. The Association owned intervals will be sold with an RCI Points option, which could help them sell. There was a brief discussion regarding capital expenses.
- B. House and Grounds Committee
  1. Glen commented that he thought the grounds looked great.
  2. There was a brief discussion regarding installing internet in the units. It is one of the most frequent complaints, but it is a cost the Association cannot incur right now.
  3. Glen would like the bathrooms in the front desk building to be modified to be more handicapped friendly. There was discussion regarding building modifications and ADA compliance issues. Management was directed to obtain a legal opinion.
  4. It was reported that a new (used) van was purchased for the maintenance department.
  5. Glen asked the Board to keep a look out for large pine cones. They will be used for decorations for the units.
  6. There was a complaint earlier in the summer about the windows in unit 13. Most are very cloudy and it is hard to see through them. They are scheduled to be replaced as soon as the unit is available. Management was directed to have the bad windows replaced in unit 14 also.
  7. It was mentioned that, because the units are non-smoking, smoking cans should be placed on the decks. Something should also be placed by the telephone identifying the unit as a "no smoking" unit.
  8. There was discussion regarding an owner who was very upset about not having power at, or near, the docks. Boat batteries either need to be taken to the unit, or to the maintenance building, to be charged. No Board action was taken to resolve the issue.
- C. Communications Committee – LeAnne reported that that Pat is continuing to work on the Facebook page. The Board identified some things that need to be updated on the Association's web-site.
- D. Policy Committee - Prior to the meeting, Bob e-mailed the donations policy to the Board. Following a review of the policy, a motion was made and seconded to approve. The motion carried. The Board reviewed the resort policies. These policies should be put in the unit books, and an abbreviated version should be posted on the Association's web-site. Mark commented that he received several positive responses to the rules that were published in the Newsletter.

5. Old Business:

- A. The Board reviewed the Association policy regarding allowing owners to deed their interval back to the Association. Currently the Association does not allow this except for in the case of extreme hardship, and at the discretion of the Board. Following discussion, it was determined that the policy should not be changed.
- B. The Board reviewed the results of the survey that was given to owners regarding changing the date of the Annual Meeting. The response was not strong enough to warrant a change.

6. New Business:

- A. Neal reported that the office computer is failing and will need to be replaced, at a cost of \$875. The Board approved the purchase.
- B. There was discussion regarding moving ahead with more foreclosures. Management was directed to bring a recommendation for what accounts should be foreclosed.
- C. Neal reported that he received formal notice from Gull Lake Marine to renew the building lease.

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