

**CAUSEWAY ON GULL**  
**BOARD OF DIRECTORS MEETING**  
**November 15, 2015**

1. The meeting was called to order by Association President Steve Wagner. Also present from the Board were Gloria Williamson, Doug Johnson, Roy Jensen, Daryl Luthens, Dennis Nordstrand, Pat O'Hara, Shirley Mitchell, and Chuck Standfuss. Ad Hoc Committee members present were Rob Hanson, George Deliduka, Dennis Steele, and Doug Weber. 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 Board Meeting held October 10, 2015, as corrected. The motion carried.
3. Management Report:
  - A. Neal commented that he is still waiting to hear from the state of California on the Global Exchange deal.
  - B. Neal reported that he recently met with Jill Grey from RCI. RCI usually charges \$2,200 to video a resort, but they are not going to charge to video Causeway. All charges will be paid by RCI. He also commented that Jill may know another entity who would take some of the Association inventory.
  - C. Dick reported that he will soon be filing an intention to foreclose in both Cass and Mille Lacs counties. It will need to be published for 6 weeks and will cost \$13,000. Causeway would need to pay half of this cost. Following discussion, a motion was made and seconded to approve paying CGVI \$6,500 for publishing costs to foreclose. The motion carried.
  - D. Neal reported that they closed on the new loan. He explained that the line of credit was consolidated into the long term debt along with the loan on the maintenance building. The new loan is for \$900,000 and provided for an additional \$140,000 to get through this year. The line of credit will no longer be available pursuant to the deal with the bank.
  - E. A few sales were made from the friends and family offer. Some owners were upset that only Association weeks were advertised. Neal explained that these types of specials also help sell owner weeks because the Association might not have the exact unit/week that someone wants to purchase.
  - F. Neal mentioned that he has received lots of letters requesting the Association to take weeks back. He explained that the staff will usually tell owners that the Board won't consider taking a week back unless the owner tries to sell it first. There was discussion regarding how to make unproductive weeks productive, the possibility of setting up a policy to take weeks back for a cost, and Association delinquency.
  - G. Neal commented that the Expedia affiliation is going well.
  - H. Neal reported that the Gull Lake Residence Club (GLRC) foreclosure process will be done December 14, 2015. Although the original agreement will be implemented, they will have to figure out how to deal with the fractional owners. Neal will meet with Jim Kraft from Frandsen Bank to work out the details and report back to the Board.
  - I. Neal reported that bed bugs were found in one of the units at the beginning of October. The staff has had some training and followed the proper procedures. The Association does have a bed bug exclusion with Adam's Pest Control which provides for a 24 hour response time. Adam's is the only company that offers this exclusion. The owners who were in the unit at the time have filed an insurance claim. The Association's insurance company, West Bend, tried to send the claim to NMI's insurance company to process, claiming it was a cleaning issue and the NMI staff was responsible,

although management is indemnified against any claim. The CDC has put out information regarding bed bugs and a bed bug infestation is not the result of poor or improper cleaning, they are brought into the unit by someone, and are easy to miss during routine cleaning. West Bend will need to handle the claim. Neal explained that when this occurred the owners were moved but had to leave as many of their belongings in the unit so they could also be treated. Units are chemically treated for small infestations and heat treated for larger. The unit that had bed bugs was heat treated and the unit the owners were moved to was chemically treated upon their departure as a precautionary measure.

4. Meeting Business:

- A. Roy reported on some maintenance items that will need to be addressed. Those items included purchasing new mattresses and couches, the carpet in the front desk building needs to be replaced, exterior staining, repairing 3 floors in the hot tub rooms, window replacement, sliding door problems in several units, interior painting, installing an access for the hot tub in the indoor pool building, and roof replacement.
- B. Pat reported that he is working on the newsletter. It will be posted on the Association website when it is completed.
- C. Following discussion, a motion was made and seconded to nominate Steve W., Dennis N., and Doug W., for the Board during the Annual Meeting. The motion carried.
- D. A motion was made and seconded to nominate Gloria, Dennis S., Rob, and George to the Ad Hoc Committee. The motion carried.
- E. A motion was made and seconded to adjourn. The meeting adjourned.