

CAUSEWAY ON GULL ASSOCIATION, INC.
2023 ANNUAL OWNERS MEETING
November 12, 2023
Arrowwood Lodge at Brainerd Lakes, Baxter MN

1. The meeting was called to order by Association President, Steve Wagner. Also present from the Board were Jim Leukam, Daryl Luthens, George Deliduka, Pat O'Hara, Doug Johnson, Sue Brennan, Ron Hanson, and Doug Weber (by proxy). John Zimmer, Roy Jensen, and Kitty Haselkamp were present from the Ad Hoc Committee. A sign-in sheet served as roll for the audience. With those in attendance at the meeting, along with the proxies that were received established a quorum for the meeting.
2. A motion was made and seconded to approve the minutes of the November 13, 2022. Annual Meeting. The motion carried.
3. Steve Wagner presented the President's report:
 - A. Steve introduced all members of the Board.
 - B. Steve mentioned that the Board is deeply committed to making Causeway on Gull "the place you are proud to bring family and friends" and read an email he was sent from a fellow Board member which he felt summarized all Board members feelings. It mentioned how this Board member's "get it done" energies had to sometimes be put in a slower gear due to a lack of funds or available personnel. He was able to put his frustrations aside once he got to know the members of the Board and gain a better understanding of the finances. The members of the Board are strong, committed, consistent, and work hard for the members of the Association. After being left by our former developer with as many unproductive intervals as we have, the full financial recovery of the resort will still take some time. This Board has taken the first steps, working with companies like Global Exchange, who pays 170 sets of maintenance fees every year right now, with the next step being attempting to finish a deal with another national company to further that financial improvement on our unsold weeks. That partnership will require a strong and consistent Board to assure that relationship will work for both sides into the future.
4. Treasurer Doug Weber was unable to attend, so the Treasurer's report was also presented by Association President, Steve Wagner:
 - A. The Finance Committee met and set the 2024 budget with a per owner assessment of \$860.00. This was a \$25.00 increase over the previous year of which \$15.00 went to increase operating expenses and \$5.00 went to each of the two reserve funds.
 - B. Steve reviewed the number of unproductive intervals and delinquency. At the time the budget was set, there were approximately 2,335 owner intervals (this included annual and biennial weeks). The Board's goal is to get the unproductive weeks productive and increase revenue for the Association.
 - C. There was a discussion regarding who CGVI Holdings is and the number of proxies they gave to the Board. CGVI Holdings is an entity that was formed when both Causeway on Gull and the Village at Izatys jointly foreclosed on the developer. CGVI also has the Power of Attorney for clearing up old Contract for Deeds and other ownership deed issues. CGVI currently owns 92 intervals that they are working to return to the Resort. The proxies from CGVI are always given to the Board.
 - D. Global Exchange owns 178.5 intervals at Causeway and gives their proxy to the Board as well. Neal explained that both entities have given proxies to the Board every year in the past and in doing so have helped fulfill the quorum requirements, so legal meetings could be held.

- E. It was clarified that no Board members are receiving any pay or are affiliated with either company or management. Board members can only receive reimbursement for mileage, which most do not take. Board positions are completely volunteer. A suggestion earlier in the Board meeting was to change the by-laws to eliminate any kind of reimbursement.
 - F. There was discussion regarding changing the Bylaws to reduce the 25% quorum requirements and maybe other items as well. Owner, John Boots volunteered to work on the Bylaw changes. Doug Johnson will be the contact for the Board. However, it takes a majority vote of all potential members to make changes to the Association documents.
 - G. Owners asked for a list published of the unsold inventory to be potentially used as Bonus time. Neal explained that it would be difficult because the list can change daily so it would not be accurate. The Board is currently in negotiations with a national group who would handle all rental, marketing, or sales of the currently unproductive inventory, so weeks cannot just be committed to Bonus time. They will decide how those revenues will be maximized.
 - H. It was also noted that Minnesota Real Estate law has procedures for conducting a legal rental program.
 - I. Steve announced that earlier in the day, the Board interviewed potential Ad Hoc members and elected Kitty Hasselkamp, Roy Jensen and Amanda Kujala to serve on the Ad Hoc Committee.
5. Election of Directors: Three Director positions were up for election in 2023.
- A. John Zimmer, Rob Hanson, and Daryl Luthens were nominated by the Board, by Association Secretary Pat O'Hara.
 - B. Randy Waskul voiced his verbal challenge of the proxies received by the Board. Steve noted that the Board could save all of the election and proxy materials for an additional 60 days after the meeting if anyone wanted to file a legal challenge. An owner noted that State Statutes allow for the Board to set the procedures for receiving proxies and conducting elections. The Board noted that their procedures have been the same for decades and were not going to be changed for the first time an election had Board challengers.
 - C. A motion was made and seconded to nominate Brenn Fromm.
 - D. A motion was made and seconded to nominate Randy Waskul.
 - E. A motion was made and seconded to close nominations. The motion carried. Each nominee introduced themselves and told a little about themselves.
 - F. The election was done by written ballot. Jerome Sauer and Ron Jarrett served as Inspectors of Election. Election results showed the following votes received:
 - Rob Hanson 549
 - John Zimmer 515.5
 - Daryl Luthens 506
 - Brenn Fromm 179
 - Randy Waskul 186.5
 - Troy Hummelgard 100.5
 - Amanda Kujala 12
- John Zimmer, Rob Hanson, and Daryl Luthens were elected to the Board.
- G. Steve thanked retiring Board member Pat O'Hara for his many years of service to the Board.

6. Meeting Business:

- A. A question was raised regarding having an outside firm conduct an audit of the Association finances. Pursuant to 515 3-121A members can vote to waive the audit at the Annual Meeting, which has been done each year. A motion was made and seconded to do an audit of the 2022 and 2023 financials by May 31, 2024. The motion was amended for the audit to be completed by the end of 2024. The motion failed 144.5:533, with the members voting against, preferring to save the money for Resort improvements. The Finance Committee will review 2023, and the Board will look into possibly budgeting for an outside audit in the future.
- B. There was discussion regarding what to do with the room if the hot tubs eventually need to be removed.
- C. It was reported that the October survey ranked potential projects in the following order:
 - 1. Living room furniture replacement
 - 2. Mattresses and bedding replacement
 - 3. Internet installation
 - 4. Hot tub repairs/replacement
 - 5. Window/door replacement
 - 6. Exterior StainingAn owner commented that items should be ranked by unit and not across the board. An example is that many units have cloudy windows and that might be a higher priority in that unit over furniture or internet.
- D. There was discussion regarding several other maintenance or management issues.
- E. It was noted that Narveson Management Inc., is under contract for 2024, 2025, and 2026, and the Board again thanked them for not raising their rates.
- F. There was additional discussion regarding the hot tubs. It was explained that the Minnesota Department of Health (MDH) will not inspect the hot tubs any longer because of OSHA confined space standards within the spa equipment areas. Steve pointed out that this issue is a problem for the future of those tubs. It is also a problem that only a limited number of tubs are running now. The Board needs to treat all of the units consistently.
- G. There was discussion regarding the possibility of having owners volunteer to help complete some smaller projects. The Board explained that insurance liability issues first have to be looked at.

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