

CAUSEWAY ON GULL ASSOCIATION, INC.

POLICY MANUAL

(Last Updated 11-12-23)

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1.0 <u>Board of Directors</u>	

1.1 Transition from Development to Management

When a phase is completely built and fully equipped and when a majority of weeks are held by the Association, that phase shall enter the domain of "Management" and shall be over-seen by the Board of Directors of the Association.

Phase I: Completed

Units

Phase II: Completed

Units

1.3 Appointments

Appointments to fill any vacancy on the Board of Directors shall be from the "Ad Hoc" Committee. In the event of a vacancy of the President of the Board of Directors, the 1st Vice President shall assume the position, the 2nd Vice President shall assume the position of 1st Vice President, and a new 2nd Vice President shall be elected at the next meeting of the Board of Directors. This procedure will apply to any other vacancy in an elected position on the Board of Directors.

Approved: January 14, 1995

1.4 Term Limits

Members of the Board of Directors may serve no more than three (3) consecutive full or part-time terms. Nothing shall prevent a member from returning to the Board after taking a year off from service.

Approved: October 9, 1994

1.5 Election of Officers

Election of officers and appointment of committee chairs shall occur at the first meeting (January) of the calendar year.

Approved: January 14, 1995

1.6 Meeting Sites

Meetings shall be held at Causeway on Gull, or wherever the Board determines necessary.

Approved: January 14, 1995

1.6.1 Annual Meeting Dates

The date of the Annual Meeting of the Causeway on Gull Association will be permanently set for two Sundays prior to Thanksgiving and will be held at alternating sites between the Twin Cities area and the Brainerd Lakes Area.

Approved: October 19, 2013

1.6.2 Board of Director Meeting Dates

Meetings of the Board of Directors will take place in January, April or May, October, and November of each year. Any additional Board meetings may be called as determined by the Board.

Approved: November 17, 2013

Meeting dates shall be set at the first meeting (January) for the entire year, including the next January meeting. These dates and sites shall be published on the Association website so that members of the Association may be able to attend.

Approved: November 17, 2013

Owners shall contact the Management Company by the last day of the month preceding the Board meeting to have items put on the agenda, or to speak in front of the Board. Board Meetings are for the Board members; however, owners are always welcome to observe the Board of Directors meetings.

Approved: April 2, 1995

1.7 Meeting Attendance

In the event a member of the Board of Directors or the Ad Hoc Committee has not attended three (3) of the five (5) regularly scheduled meetings of the Board of Directors in a calendar year, the President, with a majority approval of the Board, has the authority to notify and remove the individual from their position.

Approved: November 20, 1994

1.8 Roll Call Votes

All votes taken by the Board of Directors, when not unanimous, shall be by roll call vote and duly recorded by the Secretary. It will also be recorded by the Secretary if a board member has absented him/herself after the initial quorum call.

Approved: April 2, 1995

1.9 Liability

Directors' liability insurance in the amount of \$1,000,000. shall be purchased for the members of the Board of Directors.

Approved: January 22, 1994

A copy of the insurance binder will be given to each Board member.

Approved: July 9, 1994

1.10 Reimbursement

Costs incurred by the Board of Directors and members of the "Ad Hoc" Committee directly related to Board functions and the annual meeting of the Association shall be reimbursed. These include postage, telephone expense, and mileage or equivalent expense, but shall not include meals or overnight accommodations unless required by a two (2) day meeting. If such is the case, preference shall be given to staying at Causeway on Gull. Meals held as a part of a Board of Directors meeting are an exception to this.

Approved: April 2, 1995

Addition to Policy 1.10. Reimbursement.

In computing the mileage reimbursement, members shall be paid 30 cents per mile after a deductible of 50 miles to and from any meeting. Requests must be submitted to the Property Manager for reimbursement within 30 days after the last day of the meeting.

Meals held as part of Committee Meeting shall also be reimbursed.

1.11 Quarterly Financial Reports

The Treasurer, or Management, shall provide quarterly financial statement summary reports to the Board of Directors in advance of each Board meeting.

Approved: April 2, 1995

1.12.1 Ad Hoc Committee

There shall be an “Ad Hoc” Committee of the Board consisting of three (3) members (*interval owners*) who are appointed by the Board of Directors for one (1) year terms. Members of the Ad Hoc Committee have no voting privileges, may not hold office, but may chair any standing committee and may serve on any committee. The members shall be considered “Board Members in Training” and serve as a means of broadening the range of experience of the Board and providing an experienced pool from which to nominate new Board Members at future Annual Meetings.

Approved: October 9, 1994

Amended: April 2, 1995

Amended: October 7, 2023

Members of the Causeway on Gull Association who are interested in serving on the Ad Hoc Committee may submit nominations in writing. All candidates must be present in person at the Annual Meeting and be available to meet with the Board of Directors at a meeting to be held prior to the Annual Meeting. Voting by the Board shall be by paper ballot, the top three (3) vote-getters being declared appointed to a one (1) year term on the Ad Hoc Committee. The announcement of the appointment of the three (3) Ad Hoc Committee members will be made at the Annual Meeting of the Association.

Approved: October 9, 1994

Amended: October 7, 2023

1.12.2 Standing Committees

A. There shall be four (4) Standing Committees:

Policy
Finance
House and Grounds
Communications

Each committee shall present to the Board information they have collected.

Approved: January 17, 1998

B. The chair of each Committee shall be an ex officio member of the Board of Directors if not an elected member of the Board of Directors.

Approved: October 9, 1994

Amended: April 2, 1995

1.12.3 Other Committees

Other committees may be established to fulfill a specific time-limited function. Any member of the Causeway on Gull Association may be appointed to serve on any committee.

Approved: April 2, 1995

2.0 Operation of the Association

2.1 Records

- A. Copies of all documents and computer files critical to the continued operation of Causeway on Gull Association and the Board of Directors, such as, but not limited to, insurance policies, management agreements, bank records, tax records, etc., shall be kept in the Management Offices or at the Resort Office.

Approved: April 2, 1995

- B. The Management Company and the Association staff shall review the procedures tracking and recording Developer owned weeks and related charges and report to the Finance Committee the procedure to be used to create a good audit trail for the same.

Adopted: November, 1996 (by written vote)

2.1.1 Corporate Meeting Minutes

The official minutes of all Owner meetings and all Board of Director meetings will be available for the review of all owners at the office of the Management Company.

The minutes from the Owner meetings will be "drafts only" until they are approved at the next meeting of the owners.

Approved: February 10, 1996

2.1.2 Policy Adoption and Committee Guidelines

- A. The chairperson of each Standing Committee shall be appointed by the President and ratified by the Board of Directors. Committee members shall be appointed by the chairperson of that Standing Committee.

- B. Any regular committee reports for a full Board meeting shall be presented in written form and submitted at least two (2) weeks in advance of the meeting.
- C. The chairperson of each Standing Committee shall appoint an alternate committee member to make the Committee's report to the Board of Directors in the event the chair anticipates any reason which may prevent him/her from attending the Board meeting.

Adopted: February 10, 1996

2.1.2b Committee Reports

Any regular Committee reports shall be presented at the next scheduled Board Meeting.

Adopted: February 10, 1996

2.3 Significant Changes

Any significant or major changes in operations by the Committees shall be presented to the Board for approval by the Board of Directors. If immediate action is warranted, the Management Company shall confer with the appropriate Standing Committee and the President before acting, except if the issue involves safety, or prevention of damage to property.

Approved: April 2, 1995

2.4 Directory of Contacting Board of Directors, Ad Hoc Committee, Management Company

Names of members of the Board of Directors, the Ad Hoc Committee, Committee Chairs and the Management Company shall be published in the Association Newsletter. The means to contact these people shall also be published in the same issue of the Newsletter.

2.6 Collection of Owner Association Fees

Maintenance fees are due January 1 of the year to which they relate. Terms of payment shall be set by the Board of Directors each year and may include discounts for early payment and/or payment plans with related service charges and late payment penalties. Each annual billing shall disclose the options available and shall state that a response is due to the Association by January 1 of that year or be considered delinquent.

A \$20.00 fee for payments received on an annual assessment payment, or a \$10.00 fee on a biennial assessment payment, shall be charged to owners using a credit card for paying their fees.

Delinquent fees shall be addressed in the following steps:

1. Prior to the Owner's week, resort staff shall:
 - (a) Note on the invoice or other appropriate statement that the account will be referred to the Association's collection agency if not paid by a specified date.
 - (b) Make a good faith attempt to contact the Owner by telephone to set up a payment plan.
 - (c) If the Owner confirms their intention to use the week, the resort staff shall contact the Owner, preferably by telephone, to confirm payment of their outstanding fees and inform the Owner of the Association's policy to require certified funds, money order or cash if their fees are not paid prior to twenty-one (21) days before the commencement of their week.
 - (d) As part of the communication with the Owner in steps (a) through (c) above, the resort staff shall remind the Owner of the Association's policy and the requirements of the Covenants and Restrictions governing their unit and that the payment of the maintenance fees must be made prior to the Owner having access or use of the unit or in order for the Owner to be able to trade the unit through an interval exchange company. Resort staff shall also inform the Owner of the Association's rental program and offer to rent out the Owner's unit at the Association's normal rental charge with the balance of the rental funds received credited to their delinquent account, with the balance, if any, paid to the Owner. The Owner will remain liable for any outstanding maintenance fee not paid through said rental.
2. If the above attempts are unsuccessful and any time the week passes without payment of the delinquent fees, resort staff shall refer the account to the Association's collection agency.
3. Any delinquent accounts returned as uncollectible from the collection agency will be referred to the management company to:
 - (a) Negotiate settlement or conveyance of the unit on such terms and conditions as are reasonably appropriate given the circumstances, or
 - (b) Perfect the lien granted by the Covenants and Restrictions and proceed to foreclosure to obtain title to the unit, or
 - (c) Seek judgment against the Owner for the outstanding account.
4. Any units acquired by the Association shall immediately be offered for sale.
5. All delinquent fees and other expenses, if any, on weeks either acquired by the Association or sold to the Developer for less than outstanding fees shall be reported on a case-by-case

basis to the Board of Directors for write-off as bad debts.

The Management Company shall report to the Policy Committee from time-to-time of any changes they would recommend in this policy.

Approved: October 17, 1998

2.7 Association Rental Policy

- A. Weekly Rental Usage: Each interval owner shall have the right to lease/rent their unit by the week. Weekly usage corresponds to the contracted management services and maintenance fees charged to each interval (week) owner. Whether an owner uses the week themselves, gifts it to a friend or relative, or rents it to a third party, they shall have the right to use the unit in its prescribed one-week interval format, so long as the owner assures that the party using the unit knows that they are subject to all Causeway on Gull documents/policies/ and rules and regulations, and that the usage corresponds to the contracted weekly services provided to all owners. (Owners may not service the unit themselves, or contract for service with anyone other than the existing management company approved to be operating onsite.)

An owner may also attempt to rent their full week through the association's designated rental program on a weekly usage basis. Although the owner does not need to involve the Association in its weekly use or rental activity if they so choose, they must provide the Front Office with the name of the party authorized to check-in and use the unit if not the owner. However, the owner must still be current on all fees owed to the Association prior to check-in and must assure that the party using the unit understands that they are subject to all Rules and Regulations of the Causeway on Gull Owners Association.

Owners renting or letting others use their week are still ultimately responsible for anything that occurs on the property.

- B. Nightly Rental Usage: Nightly rental usage shall be any usage that involves breaking the week into more than one occupancy or more one than one required service. Owners wishing to attempt rentals by the night must use the association rental program, administered through its designated management agent, as nightly rentals require different amounts of service which will be calculated and paid for through the association rental program contract. Rental contracts, advanced deposits, and disbursement of all rental funds for these services will be properly run through the management agent's trust account per Minnesota Statutes and IRS requirements.

The Association operates nightly rental services to maximize revenue to the owners on all available association inventory left behind by its former developer. In doing so, these revenues are reported annually to the association's insurance company, meaning liability premiums are calculated properly, to protect the association against all the liabilities of being in the rental business. This same procedure is necessary for properly insuring each owner's rental liability.

Owners offering nightly rentals create different expenses to the association for those stays. (Additional housekeeping services, laundry services, administrative services,

supplies, etc.) An owner cannot provide these additional nightly services themselves, or with their own employees, as these activities are not covered under the association's insurance policy. Therefore, all nightly rental activity and corresponding service must be contracted for through the Association and its Management Company. Owners cannot rent their units by the night on their own.

Owners conducting rental activity shall be responsible for any necessary licensing should any regulatory body so require additional licensing or permits. The penalty for violations of this rental policy shall be \$500 per occurrence, plus whatever additional costs are incurred by the association relating to the rental violation.

Approved: October 7, 2023

2.8 Pet Policy

No pets are allowed in or on the Causeway on Gull interval owner's property. A \$500.00 fine will be charged to anyone that Management or the Board has determined to violate this policy. Owners shall be responsible for their occupants or guests.

Approved: April 21, 2012

2.9 Signatory Powers

The President and Treasurer of the Board of Directors shall be signers on all bank accounts of Causeway on Gull Association. The Board of Directors may grant such signatory powers to such others as it sees the need.

Approved: April 2, 1995

2.10 Outdoor Swimming Pool

Timeframe outdoor swimming pool is open.
Notify owners in the event of any change.

Directed at annual meeting November 20, 1994

2.11 Procedures for Owner Appeals Under Covenants and Restrictions, Article XII

For any material and continuing breach of the Covenants and Restrictions, Association By-Laws or other Association Rules, including, but not limited to, non-payment of Association fees, a hearing to suspend usage as specified in Article XII of the Covenants and Restrictions shall take place prior to the Owner's next scheduled week or within one (1) day if the infraction occurs during the Owner's occupancy of their scheduled week.

If there is insufficient time for the matter to be heard at the next regularly scheduled Board meeting, then the Resort Manager, or designee, shall be empowered to hear and decide on any such suspension.

It will be assumed that all Association fees owing will be paid prior to the commencement of the respective interval week unless an Owner requests a hearing sufficiently in advance to permit meeting the notice requirements specified in the Covenants and Restrictions.

Approved: October 17, 1998

3.0 Policy Committee

3.1 Purpose

The purpose of the Policy Committee is to establish and oversee guidelines for the Board of Directors of the Causeway on Gull Association; to implement the Declaration, the Articles, the By-Laws, and the rules and regulations of the Association.

Approved: January 14, 1995

3.2 Policy Adoption and Committee Guidelines

The various policies and guidelines as developed by the various standing committees shall be presented to the Policy Committee for review. The Policy Committee shall then present them to the Board for action. The Board approval shall be by majority vote.

Each guideline(s) shall take effect immediately following the Board meeting at which it was adopted.

Approved: April 2, 1995

4.0 Finance Committee

4.1 Duties of the Finance Committee Shall be as Follows:

- A. 1. To review proposed requests and budgets from the Management Company and other information and to propose a budget to the Board of Directors for the following year.
2. To monitor the operations of the Association during the year and to consult and advise the Management Company and the Board of Directors, as needed, on the resort operations.
3. To advise and assist the Association's Treasurer in the review and approval of emergency and other expenditures during the year as specified in the Management Contract.

4. To advise the Management Committee on relative terms of the Management Contract.
5. To advise the Policy Committee on any relevant Association policies regarding the Association finances.

Adopted: October 17, 1998

- B. To approve the expenditures on all non-budgeted items in excess of \$1,500.00 in any one accounting period. Any unbudgeted expenses shall be reviewed by the Finance Committee.

Adopted: November, 1996 (mailed vote)

4.2 Finance Committee - General

The Association shall not commit to any proposed repairs and/or improvements to Outlot A to be funded by the Association prior to a review by the Board of Directors or the Finance Committee and specific approval be granted for the same.

Adopted: November, 1996 (by written vote)

5.0 House and Grounds Committee

5.1 Committee Purpose

The duties of the House and Grounds Committee shall be as follows:

- A. To review the grounds, buildings, interior and exterior, and landscaping periodically and advise and consult with the Management Company as to needed improvements, changes and maintenance issues.
- B. To work with the Management Company to identify potential projects and to obtain bids/estimates on the cost of such projects.
- C. To consult and prepare with the Management Company a recommended list of projects by priority and time schedules to propose to the Finance Committee for inclusion in the Association's budget.
- D. To advise and, where deemed appropriate, to review any projects upon completion with the Management Company and to advise the Management Company on acceptance or acceptance on such conditions or rejection of any project prior to the payment of final bills.

- E. To consult and advise the Management Company on any issues or questions of Association Policy regarding the maintenance and improvements of the resort area.

6.0 Communications Committee

A. Communications and Newsletter

- 1. To work with the Management Company to ensure timely notices given of all meetings of the members of the Association and to solicit necessary proxies for Association business.
- 2. To work with the Management Company to ensure periodic newsletters to the members of the Association are prepared and distributed and to handle all communications with members of the Association as necessary.

- B. To advise the membership on any relevant Association policy changes regarding the operation of the Association.