

**CAUSEWAY ON GULL  
BOARD OF DIRECTORS MEETING  
April 30, 2016**

1. The meeting was called to order by Steve Wagner. Also present from the Board were Doug Johnson, Roy Jensen, Shirley Mitchell, Pat O'Hara, Chuck Standfuss, Doug Weber, and Daryl Luthens. Dennis Nordstrand was absent. Gloria Williamson was present from the Ad Hoc Committee. Rob Hanson, Dennis Steele, and George Deliduka were absent. 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 January 9, 2016. The motion carried.
3. Management Report - Neal reported on the following:
  - A. Neal reviewed the first quarter financial statement. There was a lengthy discussion regarding the Association finances and possible ways to increase revenue. Global Enterprises (GE) would like to acquire another batch of intervals this year if possible, which could help with cash flow. There was also discussion regarding the number of unproductive weeks there are at Causeway.
  - B. Neal reported that he recently met with Luke and Chad from Gull Lake Marina regarding the dock issues. Guests and owners are having difficulty launching their boats without the first dock. During the meeting Luke asked if the Association would be willing to purchase a floating dock. There was also discussion regarding installing a whole new dock system with additional slips, and what that would all entail. Following discussion, management would directed to further look into the cost of a floating dock, and to do something to better transition the steps to the current board walk/docks.
  - C. Chuck questioned the current internet and computer security systems. On Systems currently oversees all of the security for the computer systems for NMI, including Causeway.
  - D. Neal mentioned that Carrie resigned as Front Desk Manager in March and Demitria Squires was hired to fill the position. Demitria has had some previous management experience and should be a good fit at Causeway. He also mentioned that Carmel also resigned as Quality Control Manager this month. He intends on filling her position as soon as possible. There was a brief discussion regarding the difficult labor pool and how the minimum wage increases have affected NMI.
4. Committee Reports:
  - A. Finance Committee – There was nothing additional to report.
  - B. House and Grounds Committee – Roy reported on the projects the maintenance staff has completed. He also mentioned that Sandi met with a representative from the Minnesota Department of Health and 40 warnings that were previously issued were removed from their report. There are several projects that have been put on hold because of cost. Following a lengthy discussion, a motion was made and seconded to purchase 12 queen mattresses, and to replace the windows in units 15 and 16 (not including the trapezoid window) at a cost not to exceed \$11,000. The motion carried. Roof replacement will be re-evaluated after the summer. It was also determined that if a toilet needs to be replaced on the first floor, it should be replaced with a higher handicap type toilet.
  - C. Communications Committee – Pat reported on some things that need to be updated on the website. Neal mentioned that RCI is paying to have a promotional video and pictures of the resort made. They will be doing that in June or July.
  - D. Policy Committee – There was nothing new to report.

5. Meeting Business:

- A. Dick reported that the redemption period on the last foreclosure actions ended April 10<sup>th</sup>. Causeway Development no longer has any legal ownership in anything at Causeway. The foreclosure included all Developer weeks, owners with Contract for Deeds, scam companies, and seriously delinquent owners. He is still trying to determine if any cancellations, or additional legal work, will need to be done before CGVI can issue deeds.
- B. Dick mentioned that the performing portfolio was purchased from Capital Source, and CGVI is now collecting some active Contract for Deeds.
- C. Doug mentioned that he has been looking into some different Board structures and most have Audit Committees. Dennis S. is a CPA and does have access to the books and records. There was a brief discussion regarding the Finance Committee doing an internal audit instead of having a formal audit.

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