

**CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
July 25, 2009**

1. Association President, Tom Kraus called the meeting to order at approx. 10:00 a.m. Also present from the Board were Mark Nagel, Pat O'Hara, Terry Miller, Gloria Williamson, Jim Kirkpatrick, Glen Johnson, and Doug Johnson. Bob Edstrom was absent. Ad Hoc Committee members present were Daryl Luthens, Chuck Standfuss, Robert Hanson, Laura Johnson, and Dennis Nordstrand. Legal Counsel, Dick Hawke, and Narveson Management Representatives Neal Narveson and LeAnne Rundhaug were also present. An owner, Jeff Etchen, was also present.
2. A motion was made and seconded to approve the minutes from the Board Meeting held April 18, 2009. The motion carried.
3. Committee Reports:
 - A. Finance Committee – Mark reported that after reviewing the current year budget and the receivables, it looks as though the Association could be as much as \$200,000 short by the end of the year, however there still is an open line of credit with People's National Bank it needed. The roof for 19/20 is still going to be scheduled for this Fall. The materials were already purchased so there will just be the expense for labor. Prioritization will be the key for the remainder of the year. The Board recommended they proceed cautiously when it comes to projects. It was also reported that Causeway Development has not paid any maintenance fees this year which is about what the Association may be short at year-end. COG Partners have paid because of rental income. Neal commented briefly on delinquency and efforts management has made to try to resolve issues.
 - B. House & Grounds Committee – Glen reported that he and several other committee members have been inspecting the units. He updated the Board on specific issues they found. Pictures have been taken in every unit. One of the goals of the committee is to standardize the units. It item mentioned that most owners feel is needed is wireless internet. The stereo/sound systems should also be upgraded.
 - C. Communications Committee – Pat reported that the summer newsletter has been posted on the web-site. There was discussion regarding having a button on the site that owners could access to exchange their week. Pursuant to the contracts with RCI and II, the resort cannot create their own exchange program. There was also discussion regarding the sites resale section and how to improve it and if there is any liability to the Association. Following a lengthy discussion, a motion was made and seconded to remove this option until the Board can create a policy on how to better proceed.
 - D. Policy Committee – There was nothing new to Report
4. Management Report: Neal reported on the following:
 - The RCI and II weeks calendars are different for week 53. Because there are more owners who belong to RCI it was decided that Causeway should follow the RCI calendar. This will only affect those owners who own Saturday to Saturday units in 2011. Notice regarding this will be sent with the Notice of Annual Meeting.

- Causeway currently has a Gold Crown status with RCI but as mentioned, this could be hard to keep. The June scores indicated we were .10 below the threshold for unit maintenance. There was discussion regarding the Gold Crown and Silver Crown status, Point's values, and exchangeability factors.
- The management contract will be up for renewal for 2011. Neal will bring a similar 3-year proposal to the January 2010 meeting.
- Neal reported that he and Dick are still working on the Crystal Pierz lease agreement. Myron from Crystal Pierz may be interested in renting the entire building. There was a lengthy discussion regarding lease options and liability issues. Following discussion, a motion was made and seconded regarding general lease terms the Board would like included in the lease, to be approved by the Board. The motion carried. A committee was formed (Mark, Tom, Dick, Neal, and Terry) to work on the lease and report back to the Board in October or November.

5. Old Business:

- A. Dick updated the Board on the progress with the current foreclosures. A motion was made and seconded to proceed with the foreclosure and upon notification of the title company that their work is complete, Dick is allowed upon payment of the particular unit's delinquent fees, to release an owner from the foreclosure action who may have purchased from Causeway Development during the course of the foreclosure. The motion carried.
- B. Dick reported on his notification to Kristi Lacey regarding the use of the Causeway on Gull name.
- C. It was reported that the main partner of COG Partners filed bankruptcy. The rest of the partners are trying to develop a plan for selling the remainder of the intervals in the Gull Lake Residence Club. They may want to send another mailing to the owners.
- D. Pat mentioned he would like to see a better fence around the unfinished GLRC 6-plex.

6. New Business:

- A. There was discussion regarding collections. Jim would like a summary of the maintenance fees put into a letter to the owners.
- B. There was discussion on if the name of a person making and seconding a motion should be included in the minutes. It was determined that it is not necessary; a motion either passes or fails by a vote of the Board.
- C. There was discussion on spraying the roofs to kill and clean off the moss. It was reported that they may damage the roof.
- D. The Fall budget meeting was scheduled for Saturday, October 17, 2009. The Board will meet at Dick's office at 9:00 AM.

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