

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
July 13, 2013

1. The meeting was called to order by Association President, Mark Nagel. Also present from the Board were Pat O'Hara, Gloria Williamson, Glen Johnson, Dennis Nordstrand, Daryl Luthens, and Steve Wagner. Bob Edstrom and Doug Johnson were absent. Ad Hoc Committee member Roy Jensen was present. Rob Hanson, Joe Lanz, Chuck Standfuss and Laura Johnson were absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Carrie Elling and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the minutes of the Board Meeting held April 20, 2013. The motion carried.
3. Management Report – LeAnne reported on the following:
 - A. Vacation Ownership For Less (VOFL) is doing well and continuing to help with the collection efforts. 35 sales have been closed this year, 8 of those were Causeway intervals. 8 sales are in process, 1 is a Causeway interval, and 6 sales are pending. \$10,921.75 was collected the first quarter, and \$13,394.10 in the second quarter.
 - B. Neal spoke with the representative from Frandsen Bank regarding the GLRC units. They are still working toward whole ownership sales, but it is taking time. There was discussion regarding what is needed to make that happen.
 - C. The rental of the GLRC unit that was discussed during the April meeting, did not happen. The potential renter had a dog and was told about the no pet policy, and never called back.
 - D. Neal is working with Dick to get a list of potential quit claim intervals together to present to Capital Source (CS). CS did agree by e-mail to sign off on anything that they do not believe to be a part of their mortgaged inventory. It was explained that this may be helpful in completing the title work for the unsold COG inventory. Global Exchange is still interested in the CS inventory deal that was approved during the last meeting, but they are unsure about when that might happen. They intended to have it completed by 2014 for use of all the inventory, but it might be getting too late that. Neal has stressed to CS that the Association need to know when this might occur for the 2014 budgeting process, which begins in September.
 - E. Auto Owners did not renew the insurance policy. Westbend Insurance was the new company that was recommended after the bids came in. The premium basically stayed the same, however, no new company would offer anything less than a \$10,000 deductible.
 - F. Gull Lake Marine extended the lease 3 more years.
 - G. The pool project was completed at the end of May and went well.
 - H. The roof on unit 5/6 was replaced in June.
 - I. An e-mail was recently received from an owner in unit 22 about some issues he had during his stay. Following discussion, some of the Board members agreed to inspect the unit after the meeting.
4. Committee Reports:
 - A. Finance Committee – Dennis reported that although the income statement shows a profit, the Association funds have decreased and it is affecting cash flow. The Association may need to draw on the line of credit in August this year. It wasn't needed until September last year. There are a number of owners who don't pay their maintenance fees each year; but not receiving maintenance fees on the Association and CS intervals probably has had the most impacted the Association financially. Although the Association was able to use the inventory for rentals and bonus weeks, they did not receive as much revenue weeks as they had hoped. Being able to sell that inventory is the thing that will help the Association the most. There was discussion regarding the collection process and possible incentives for owners to pay on time. Maintenance fees have remained the same for the past five years, but they may need to be increased for 2014.

- B. House and Grounds Committee – Glen reported he has been looking into some of the outside lighting issues. He purchased a light for the dock area (\$20). More of these lights could be purchased for the dock and could also be used along the trail. He found a light sensor for the units that will automatically turn the lights off during the day, and on at night. The maintenance staff could install them at a minimal cost to the Association. The Board agreed and approved purchasing the sensors. He also would like to switch to LED lights. It would cost \$20/building. Gloria felt that within a couple years, the lights would be half the price and twice as reliable. She suggested only installing them in a few units at this time.

Glen reported that he has not received the pricing for installing wireless internet in the units yet, but the new wireless system was installed in the sales building. The connection is through Charter Cable. It isn't faster than the old system, but it is much more reliable. Charter is also going to bid the telephone service. The staff has had many problems with the telephones and current service providers. Regarding wireless service, Steve mentioned using hot spots and purchasing a device that guests could either rent, or just have available for them to use.

Management was directed to:

- Make the sign by the road more noticeable. Some lights could be added and possibly something stating rentals are available.
- Power wash and stain one of the units.
- Obtain bids to replace the windows in the indoor pool that are foggy.
- Obtain bids to replace the windows in the units.

Gloria reported that she met with Roy, Susan, Dick and Carmel to inspect the units. They were able to get through 25 units and it took 51 man hours. The lists were given to Carmel to combine and work from. She also brought some carpet samples to the meeting for the Board to look at.

- C. Communications Committee – Pat reported that there are a couple corrections to the Newsletter, but it should be posted on the Association web-site soon. He also commented that Carrie has been doing a great job with the Association's Facebook page.
- D. Policy Committee – Mark reported that they have almost finished updating the Association policies. Bob will be forwarding the marked version to Dick, and he will forward the final draft to the rest of the committee. If everyone approves, it will be forwarded to the rest of the Board.

5. Old Business: There was no old business to discuss.

6. New Business:

- A. The owner of unit 37, week 43 A contacted management and have requested approval to deed their interval to the Association. Their account is currently at Springer for collection. The Board agreed they would be willing to negotiate a settlement if the owner has a Warranty Deed, but any future correspondence needs to go through Springer.
- B. LeAnne explained that the maintenance staff would like to put ash trays on the decks because owners have been throwing their cigarette butts on the ground. The Board approved purchasing some type of ash try for the decks
- C. It was mentioned that a sticker, or something, should be placed on a kitchen cabinet to remind owners/guests about recycling.

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