

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING BEFORE THE ANNUAL MEETING
November 20, 2011

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, Doug Johnson, Bob Edstrom, Terry Miller, Dennis Nordstrand, and Daryl Luthens. Ad Hoc Committee members present were Roy Jensen, Rob Hanson, Steve Wagner, Joe Lanz, and Laura Johnson. Chuck Standfuss was absent. Legal Counsel, Dick Hawke, and Narveson Management representatives Neal Narveson, Carrie Elling, and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the minutes of the Board Meeting held October 22, 2011 as amended. The motion carried.
3. Management Report:
 - A. Neal reported that Myron (Gull Lake Marine) is being required to do some upgrades to the gas system. This will be done at Gull Lake Marine's expense. Some new lines will have to be run from the gas tanks to the Marina. Because of the expense, Myron has requested to run the lines over head instead of burying them underground. Following discussion, it was determined that Myron should bury the lines. It could be dangerous to have them run across the boat launch, as well as unsightly for the resort
 - B. It was reported that ten of the bonus weeks have been rented which brings approximately \$7,000 in revenue to the Association.
 - C. The roof replacement on units 9 and 10 is scheduled to begin November 21st. A contractor is scheduled to check to see that the roofs are properly insulated.
 - D. The landscaping contractor could not get the six plex lawn done this year. It has been scheduled as a spring project.
 - E. An outside contractor has been obtained for snow plowing for the 2011/2012 season.
 - F. Collection efforts are ahead of what they were last year. Approximately \$50,000 more has been received from this time last year. The Board reviewed a letter from an owner requesting that maintenance fees be kept down.
4. Old Business:
 - A. Dick reported that he is still waiting for the license application to be approved by the Commerce Department.
 - B. Dick reported that one of the individuals who purchased a foreclosed interval from Causeway Development has filed a lawsuit, and the Association was named in that suit. Dick contacted this individual's attorney to let him know how the Association intended to proceed. A release has been obtained from CapitalSource and the Association would like \$500 to be applied towards the legal costs of the foreclosure process since that legal process cleared existing judgments against the interval.

- C. Dick also reported that another Judgment has been filed against Causeway Development. The Association was also named, which then created a new cloud on all the titles held by the Association. Dick will be attending court on November 21st to have the Association's name removed from the judgment.
 - D. CapitalSource has agreed to release the mortgage on the three foreclosed intervals that were sold by Causeway Development. They are open to suggestions on how to proceed with the other foreclosed intervals in which CapitalSource has an interest. An agreement will have to be in place before those intervals can be registered. Rob, Joe, Bob, Dennis and Steve were appointed to work with Neal on an agreement. The Board would like to have a proposal for CapitalSource ready to review during the meeting in January.
 - E. It was determined that Board member's phone numbers should not be posted on the Association web-site. Owner correspondence via e-mail and the resort offices is sufficient.
 - F. There was discussion regarding rental rates. Some Board members felt that Causeway is out of line with what is being charged in other areas such as the internet. Implementing a better marketing strategy was also mentioned. Management will bring current rates to the January meeting for suggestions.
 - G. There was discussion regarding the Association donating Association intervals to charities. Because of the volume of requests that are made each year, Management has maintained the policy of not donating weeks to anyone. Bob was asked to put together a committee and bring recommendations to the January meeting outlining a policy for 2012 and 2013.
 - H. Management was asked to do some sort of recap for 2012 on how the \$10 per owner contribution to Vacation Ownership For Less is being used for both resale's and owner services, and what the impact is to the Association. VOFL will collect payments from the Association quarterly.
 - I. There was a brief discussion regarding the No Smoking policy.
 - J. The free memberships offered by Interval International are limited to five Board members.
5. New Business:
- A. The 2012 meetings were scheduled as follows:
 - Saturday, January 14th at 9:00 AM at Dick's office
 - Saturday, April 28th at 10:00 AM at Causeway
 - Saturday, July 21st at 10:00 AM at Causeway
 - Thursday, October 25th at 6:00 PM at Dick's office
 - Sunday, November 18th at 10:00 AM (the Annual Meeting was scheduled for 1:00 PM) at a location to be determined in the cities.
6. A motion was made and seconded to adjourn. The meeting adjourned.