

**CAUSEWAY ON GULL**  
**BOARD OF DIRECTORS MEETING**  
**October 10, 2015**

1. The meeting was called to order by Association President, Steve Wagner. Also present from the Board were Doug Johnson, Roy Jensen, Dennis Nordstrand, Daryl Luthens, Rob Hanson, Chuck Standfuss, and Shirley Mitchell. Gloria Williamson was absent. Ad Hoc Committee members present were Dennis Steele, Doug Weber, and George Deliduka. Pat O'Hara was absent. 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 of Director's Meeting held July 18, 2015. The motion carried.
3. Committee Reports:
  - A. Communication Committee – There was discussion on what would be included in the notice of the Annual Meeting and Newsletter. In addition to the normal items (official notice, President's letter, etc.) a resale offer like the last 50% owner special, will be extended to friends and family. The \$400 bonus weeks could also be mentioned in the newsletter, as well as information about scam companies.

Neal mentioned that the resort is now affiliated with Expedia for public rentals, as well as the Niswaga Chamber. It was suggested that information about the resale company, Vacation Ownership For Less, be left in the rooms.
  - B. Policy Committee – There was a brief discussion regarding the owner transfer policy.
  - C. House & Grounds Committee – Roy reported that the staff painted the indoor pool in July and it looks good. There was a brief discussion on items to report on during the Annual Meeting.
  - D. Finance Committee – Neal apologized for moving the original date of the meeting but it was necessary to get statements out a little sooner in the year. As previously reported, the Association has drawn the full \$250,000 that was available from the line of credit at Neighborhood National Bank. Neal explained that he has been in contact with the bank and they will not extend the line of credit again. What is being suggested is taking the equity from Outlot A and combining both loans, and include enough money needed to pay off the line of credit and finish the year. Neal explained more on the details of the loan.

Neal commented that he is still waiting for approval from the state of California on the Global Exchange (GE) deal and reminded the Board that a part of that deal was not increasing maintenance fees for 2016 (leaving them at \$745). Some money was received for the resort in Park Rapids that GE is also working with, so he is still confident that the Causeway deal will come together. Neal announced that pursuant to the management agreement, there was to be a 3% fee increase for 2016, he is not taking it. Because most of the associations he manages are struggling financially, he didn't feel it was right to take the increase. There was discussion regarding reducing services and other ways to reduce costs. There was also discussion regarding the next 3-year management contract. Following discussion, a motion was made and seconded to accept the 0% increase for 2016 and approve another 3-year contract for 2017, 2018, and 2019 with rates to be negotiated and mutually agreed to each Fall for the upcoming year. The motion carried.

There was a brief discussion regarding the next foreclosure.

The Board reviewed the Proposed 2016 Budget. Following discussion, a motion was made and seconded to approve the Budget at \$745 an owner. The motion carried.

4. Meeting Business:
  - A. There was discussion regarding collections, rentals, new sales, and marketing.
  - B. There was discussion regarding how to deal with upset owners regarding the high maintenance fees. One important fact is, the alternative to a higher maintenance fee is to levy a special assessment to get things done, and the Board is trying to avoid doing that, and the \$745 fee is still \$100 lower than the national average.
  - C. Dennis and Steve's Board terms end in 2015. Both agreed to seek re-election. Gloria's term limit will expire so the Board will have to consider who to support for election during the Annual Meeting.
  - D. With much sadness, Rob announced that he will have to resign from the Board because of health issues. Following discussion, a motion was made and seconded to accept Rob's resignation and elect Pat to the Board to fulfill Rob's term, and move Rob to the Ad Hoc Committee. The motion carried with 7 in favor, and 1 opposed.
  - E. The Marina has requested permission to store boats up on the hill. Following discussion, a motion was made and seconded authorizing management to enforce the lease as it is and not allow for additional storage on the hill. The motion carried.
5. A motion was made and seconded to adjourn. The meeting adjourned.