

**CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
October 6, 2024**

Call to order: The meeting was called to order by Association President Steve Wagner. Present from the Board were Jim Leukam, George Deliduka, Daryl Luthens, Rob Hanson, Doug Johnson (by proxy – Sue) and John Zimmer (arrived late). Sue Brennan was present via telephone. George Deliduka was absent. Kitty Haselkamp and Roy Jensen were present from the ad Hoc Committee. Amanda Kujala was absent. Neal Narveson and LeAnne Rundhaug were present from Narveson Management, Inc.

Approval of Minutes: A motion was made and seconded to approve the minutes of the Meeting held April 6, 2024. The motion carried unanimously.

President's Report: Steve asked everyone in attendance to introduce themselves. He asked that the Board vote regarding the recording of Board meetings. A motion was made and seconded that, until the Association has proper recording equipment or a facility to record, there will be no recording at Causeway on Gull Board meetings. Daryl, Rob, and Steve voted yes. Sue and Doug J. voted no. John was not in attendance at this time to vote. It was noted that the Annual Meeting has been recorded for the past two years and posted on Facebook with no issues.

Steve asked for a vote on Neal being elected to Staff Secretary, for signing purposes. A motion was made and seconded to elect Neal as Staff Secretary. The motion was amended to state that as the managing agent, Neal Narveson be elected as the Assistant Secretary/Treasurer. It was noted that Doug Weber resigned from the Board. It was suggested that a new Treasurer be elected to serve until the Annual Meeting. Daryl reported that he did the Finance Committee's normal review and went to the NMI offices and reviewed the finances, bills, and bank statements and found everything to be in order. In addition to Doug W., Steve also received emailed copies of all the bank statements and transactions every month. The amended motion carried with Daryl, Rob, John, Steve, and Jim voting yes, Sue and Doug J. abstained.

Following discussion, a motion was made and seconded that proxies for the Annual Meeting be accepted until the commencement of the Annual Meeting. The motion carried unanimously. Sue will revise the Annual Meeting Instructions to state that it is requested that the proxies be returned by November 11th.

Steve reported that there has been much conversation about the State Statutes that govern Causeway on Gull. It appears that it will have to be decided by an attorney and the Board has taken steps to find the correct resolve. Causeway was formed under MN Statute 317A "Nonprofit Corporations" but has been following 515B "Minnesota Common Interest Ownership Act". Prior to the meeting, Sue had forwarded a letter to the Board from the attorney she has been working with which indicated he would need to receive "all" of the Association declarations to determine which statute Causeway is governed by, but from what he currently sees, feels that Association has been operating under 317A. Neal mentioned that for sales and disclosures, Vacation Ownership for Less, follows 515B and that the former Association Attorney, Dick Hawke, felt strongly that although Causeway was formed under 317A, all timeshare associations fall under 515B. An owner noted that the Association is not following certain guidelines outlined in 515B. Cory explained that he has worked with Dick Hawke in the past and there has been some confusion with the State of MN, and how to deal with timeshared properties. This may be a process to find an answer instead of there being an immediate answer. The Board will continue to research the issue.

It was explained that a quorum is determined by the total number of intervals less the association owned intervals. The Board will not know if a quorum is established until the day of the Annual Meeting when a final count can be taken.

House and Grounds Report: Jim mentioned that he had sent a detailed report to the Board prior to this meeting. He thanked all who have been involved with the items that have already been discussed. He would like to make owners happy. Some things he has noticed that need to be addressed in the future are door, window, and furnace replacement. The maintenance staff has been working on replacing interior and exterior lights in units 1 – 22. The final carpet replacement in the six plex (units 53 – 58) will begin at the end of the month. The list of projects that need to be completed is ongoing and he would like to form a small committee [if he gets re-elected to the Board] to work with maintenance and prioritize projects. Everyone should work together as a team moving forward. The lack of money has been the biggest issue with getting things done. Steve mentioned that everyone is working hard to provide more funds to the House and Grounds issues.

Jim has been working on some ideas for what to do with the hot tub room following an owner's comment to put in more beds instead of another water feature. Roy commended Jim for the great job he has been doing as the Chairperson for the House and Grounds committee. Jim mentioned golf carts are needed for both maintenance and housekeeping. It is important that the staff has what they need to do their jobs. Neal mentioned that the foreign students from Breezy Point came to Causeway to help with landscaping and some maintenance projects. He also noted that the carpet for the hallway at the six plex will not get replaced at the same time as the carpet in the units and suggested that whatever commercial carpet is installed in the hallway could probably be put in the front desk area at the same time.

Regarding owners working on projects at Causeway, Neal explained that it is currently an insurance and liability issue if owners are not insured like the maintenance staff is. The Board would need to purchase work comp insurance for that purpose. Management was directed to see if that is possible and the estimated costs to do so.

Meeting Business: Steve read former Treasure, Doug Weber's, notes regarding the 2025 Budget. Doug felt maintenance fees should increase at least 10% to \$950, or even \$975 per interval to give more of a cushion in the finances, and possibly have a budget for House and Grounds, and to buy furniture without the need of a special assessment. Steve explained that the Finance Committee met and had a long conversation on what to do and eventually decided to recommend the 2025 maintenance fees be set at \$870 per interval. If the Capital Vacations deal can be completed soon, there will be no need for a special assessment, if not, a special assessment might be necessary. Any money that may be received from this deal is not included in the Budget for 2025. Some of the details of their potential involvement were discussed. The 2025 Budget was reviewed and there was clarification regarding individual line items. Sue adamantly defended the position that after hearing what Jim Leukam had just reported to the Board, she didn't understand how the committee could approve only a \$10 increase, along with the fact that the former Treasurer did not agree with the \$870 assessment either. Sue stated that the resort needs repair now especially with the loss of a RCI Crown Status. Following discussion, a motion was made and seconded to approve the 2025 maintenance fees at \$870 per interval. The motion carried with Rob, Daryl, John, Jim, and Steve voting yes, and Sue and Doug J. voting no.

Brenn Fromm requested that correspondence from herself, Randy Waskul, Ed Beck, and Mike Zwach be included with the Notice of Annual Meeting. It is their reflections and thoughts on what owners should think about when making a decision [on who should be elected to the Board and Ad Hoc Committee]. And if the Board determines that their letter cannot be included with the Notice of Annual meeting, they requested to be allowed to use our mailing list through the same printer the Association uses at their expense. It was noted that there may be other nominees for the Board during the Annual Meeting, and there will be no solicitations with the Notice by individuals.

It was clarified that there will be a Board Meeting before the Annual Meeting and an Organization Meeting after the Annual Meeting on November 17th.

The meeting was closed to the Board only for legal discussion. During discussion, a motion was made and seconded to accept Doug's resignation and remove him from the bank signature cards. The motion carried unanimously.