

CAUSEWAY ON GULL ASSOCIATION, INC.

2009 ANNUAL OWNERS MEETING

November 22, 2009

The Lodge at Brainerd Lakes

1. Association President, Tom Kraus called the meeting to order. Also present from the Board were Pat O'Hara, Terry Miller, Gloria Williamson, Jim Kirkpatrick, Glen Johnson, and Doug Johnson. Bob Edstrom was absent. Ad Hoc Committee members present were Laura Johnson, Daryl Luthens, Dennis Nordstrand, Chuck Standfuss, and Rob Hanson. Legal Counsel, Dick Hawke was also present.
2. A motion was made and seconded to dispense with the reading of the November 23, 2008 Annual Meeting Minutes and approve as written. The motion carried.
3. The President's report was presented by Tom Kraus. He reported that the resort is in good condition. Management has done a good job in making necessary repairs while keeping costs down.
4. The Treasurer's report was presented by Mark Nagel and included the following:
 - A. Income and expenses for 2009.
 - B. A history of the dues assessments over the last ten years. There have been no increases for the twin homes and a little increase for the six plexes over the past several years. Causeway maintenance fees remain below the national average for a two bedroom unit.
 - C. The decision for the \$45 replacement fund assessment. This amount is a part of the overall maintenance fee assessment but is designated specifically for replacement items such as roofs, staining, TV's, furniture, etc. An amount for replacements has always been included in the fees but items/projects were completed as funds would allow. However because the developer did not pay their fees in 2009, the necessary replacements could not be completed. While the Association deals with the issue of delinquent maintenance fees and ownership of the developer intervals, the Board wanted to be sure that some funds would be set aside for replacements, so this new classification was created.
 - D. COG Partners, the developers of the new Gull Lake Residence Club units, may also be having some financial difficulties, but as of the Annual Meeting date, they are current in paying their maintenance fees.
5. Resort Operations – Neal Narveson of Narveson Management was introduced. He reported on the following:
 - A. He complimented the Board for being a dedicated group of volunteers. They are doing a great job.

- B. The front desk was relocated to the sales building over a year ago and it is working out well. Owners and guests are enjoying the increased space.
 - C. A new lease agreement is being negotiated with Crystal Pierz. They are considering renting the entire building.
 - D. The resort received a Silver Crown rating with RCI for 2011. The resort was only one tenth of a percent below the Gold Crown threshold in just one category Unit Maintenance. This category did increase the next month, but RCI reviews the ratings in August each year and exceptions are no longer given. The RCI Point's values have not changed.
 - E. The Minnesota Department of Health pool and spa ordinances have changed. Continuing to be in compliance will be an ongoing and expensive project.
6. Election of Directors – Three Board positions were up for election in 2009. Nominees were incumbents Terry Miller, Jim Kirkpatrick, and Gloria Williamson. There were no nominees from the membership. A motion was made and seconded to close nominations and elect the three current members. The motion carried.
7. Introduction of Ad Hoc Committee Appointments – Laura Johnson, Chuck Standfuss, Dennis Nordstrand, Rob Hanson, and Daryl Luthens were introduced as committee members.
8. Old Business:
- A. It was reported that four of the six weeks up for bid were sold.
9. New Business:
- A. There was discussion regarding installing wireless internet. It is something that the Board has considered however it is an expense they do not want to incur at this time. They will continue to research options.
10. A motion was made and seconded to adjourn. The meeting adjourned.