

CAUSEWAY ON GULL BOARD OF DIRECTORS MEETING

JANUARY 14, 2006

1. The meeting was called to order at 9:00 a.m. by President, Dennis Steele.

2. Motion made and seconded to dispense with reading of November minutes. Motion carried. Motion made and seconded to approve the minutes of the November 20 Board meeting. Motion carried. Minutes of the November Annual Meeting will be sent via e-mail to all Board members for comments/approval. They will then be posted on the website with the proviso of "subject to approval by owners at the 2006 annual meeting".

3. Committee Reports

A. Finance Committee – Tom Kraus - The year-end balance sheet was distributed and reviewed. The 2005 and 2004 comparison columns will be posted on the web site. Dan will e-mail to Judy. Tax returns will be completed in March. Discussed considering a balance sheet audit in 2006. Dan will prepare list of accounting footnotes for Neil.

B. House & Grounds – Dave Brainard – Neil Narveson indicated work is continuing on the list of items needing to be done in the units, i.e. standardizing appliances, repairs to bathroom tile, standardizing blinds, furnace repair, light repairs, indoor pool repairs etc. Work will proceed until summer when outside work will be a priority, and remaining work list will be re-evaluated against remaining budget in the fall. Discussed concerns with the indoor pool building. Discussed going back to the builder for warranty considerations. Also discussed work to be done this summer on outside pool. Dave presented an overview of the work done by the Land and Building Use Committee regarding the recently vacated sales office building, the current check-in /administration building, and the current indoor pool building as the association looks toward the future. Subjects discussed were environmental concerns, state and federal regulations on land and right to use issues, Outlot A, parking of boats and trailers in the area, Pierz Marine use of slips and rentals, potential sale of the sales office, potential move of check-in to sales office, etc. Consensus of Board is that sale of the sales office is not the best option at the current time. Neil will meet with Pierz to discuss current and future lease, define slip usage (resort should have closest slips; pontoons could be left further out and brought in for rentals), who has responsibility for handling fuel tank leaks, define resort/Pierz parking areas. Also discussed other uses for the sales office including informal restaurant, fine dining, activities building, etc.

C. Communications Committee – Judith Nyssen – Updates continue to be made to the website. Links have been added for timeshareowners.com and redweek.com for owners interested in selling their units. Narveson will revise the information on the management company and send to Judy for posting on the website.

4. Developer Report – No representative of the development company was present at this meeting. We have been unable to reach an agreement on the amount due the association on 2005 maintenance fees from the developer. Therefore Dennis will prepare a letter to the developer declaring our compromise agreement null and void unless full payment is received by January 31. If payment is not received, developer will be locked out of further usage. This offer would only apply to Solara and in the event of a bankruptcy, would be null and void. After much discussion, motion was made and seconded to approve the sending of this letter. Motion carried.

5. Management Report

A. Neil indicated complaints had been received from late check in communications. Neil will investigate special direct phone line and adding more light to the check-in area.

B. Three quotes had been received to purchase a replacement 4-wheel drive pickup. Motion was made and seconded to approve the used vehicle purchase..

C. The drowning at the resort has been ruled an accidental death.

6. Old Business

A. Sewer charges with the city. The replica watches uk association paid 25% down and is financing the remaining amount. Question has come up as to who owes for the 6-plexes and remaining lots. It was verified the Developer owes for the 6-plex connection charge and the remaining lots. Dick will send a letter to the city advising them to bill the developer.

B. Easement on three large parcels north of the resort. Motion made to offer a revocable easement for now with a six-month notice rolex replica if we need back. Motion carried. Cost of deed and attorney fees will be \$500.

7. New Business

A. Election of officers for 2006. Motion made and seconded that the same officers remain in place for 2006. Motion carried.

B. Letter was read from an owner expressing thanks to the Board for holding maintenance fees down.

C. The RCI scores show improvement.

D. Statement was received from Richard Hawke indicating his willingness to remain on retainer as our legal consultant for a fee of \$500 for 2006. He requested a fee of \$25.00/hour for secretarial support of rental program as required. Motion was made and seconded to approve this fee schedule for 2006. Motion carried.

E. Maintenance week on Unit 15 was apparently sold. Neil will respond.

F. The April 1 Board meeting date was changed to April 29.

G. The interest and value of the annual July owner's picnic was discussed. Decision was made in the interest of costs to not hold the owner's picnic this year. An informal meeting with interested guests at Causeway in July following the Board meeting is a possibility.

8. Meeting adjourned at 1:00 p.m.