

2005 ANNUAL OWNERS MEETING
CAUSEWAY ON GULL ASSOCIATION, INC.
November 20, 2005

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1. Dennis Steele, President, called the 2005 Annual Owner's Meeting to order at 2:00 p.m. on November 20, 2005 at The Lodge in Baxter, MN. Mr. Steele introduced the current Board Members and Ad Hoc committee members who were present.
 2. A motion was made and seconded to dispense with the reading of the November 21, 2004 minutes. A motion was made and seconded to approve the minutes of the November 21, 2004 Annual Members meeting. Motion carried.
 3. Dennis Steele presented the President's Report. Subjects discussed were:
 - Outlot A – The developer vacated the sales building without notice. Some rental opportunities have already developed. Pierz Marine expressed an interest in leasing the property, and Zorbas has interest in purchasing or leasing the property. The Board will look at all opportunities and choose the best course for the long term outlook of the association in financial terms and in terms of the association keeping control over the property. One consideration is to move the check-in near the pool area and rent out the current sales building.
 - \$147,000 in capital improvements are planned for 2006 including two new roofs, landscaping around the 6-plexes, hot tub repair, leasing of additional new golf carts and getting rid of the old ones.
 - Solara Vacation Club has caused some problems for the association with regard to reservations. Owners must have paid annual maintenance fees to be able to exchange units within the club. The association supports the club but must make sure its maintenance fees are collected. Solara says maintenance fees must be paid before the owners can trade. If this is true, there should not be a problem. Suggestion is to call and confirm any reservation with the Resort Office.
 - Developer Relations – Continue to have problems collecting money from the developer with disputing the amounts owed. The amounts have now been verified, and we will hopefully collect the money soon.
 - Management Company – There had been some confusion with reservations, but has stabilized and not expected to be a problem in the future. Staff turnover has also stabilized. Continue to experience some problems with unit upkeep. . .light bulbs, furniture missing, etc. and this problem is being worked on. The exercise equipment has been replaced and added to. Management Company contract has been extended for two years; no increase in 2006 and 3% increase in 2007. The RCI status change from "Gold Crown by Exception" to "Silver Crown" was discussed. This change was based mainly on unit quality and maintenance. The unit quality is affected by the age of the units. We had been Gold Crown on an exception basis for the last three years and RCI is no longer allowing Gold Crown by exception. This has happened with hundreds of RCI resorts this year, and is not directly related to the Management Company. The Board is working on a renovation plan to restore Gold Crown status.
 - Website Status – The website was discussed. Plans for 2006 include board minutes posted as soon as approved at following meeting; monthly financial statements posted, 2006 budget posted, a monthly President's Report will be new and on-line next year, owner units for sale and other items of interest to the owners will also be posted. More mailed newsletters are also planned for 2006.
 4. Tom Krause presented the Treasurer's Report. Mr. Krause indicated that 2004 was closed out with a profit of \$217,000. 2005 has presented challenges including unanticipated hot tub expenses and larger than expected property taxes; however at October close, the association is at a \$20,000 profit. The 2006 budget includes \$147,000 in replacement/repairs that will be done during maintenance weeks. We are looking at closing out units in Solara inventory - - 181 weeks in Units 53-58 and 232 weeks in Units 1-52. Mr. Krause indicated 129 owners are delinquent on maintenance fees amounting to \$82,000 and these have been turned over to Springer Collections for action.
 5. Resort Operations were reviewed by Neal Narveson. Mr. Narveson gave an overview of his company, introduced the staff, discussed management changes and new employees. He indicated they are aware of the lack of boat slips at Crystal Pierz Marine and are reviewing this for next season. He also discussed the lack of golf carts last year, which should be improved this year with the purchase of several new carts. He also discussed the change from "Gold Crown" to "Silver Crown" status. The meeting was then opened up for questions from the owners, which Mr. Narveson and Mr. Steele responded to.
 6. Election of Directors - Motion was made and seconded to elect the directors as presented. Motion carried.
 7. Ad Hoc Committee Appointments – James Kirkpatrick was introduced as a new member of the Ad Hoc Committee.

8. Old Business – Mark K.K. volunteered for the Ad Hoc Committee. He discussed the pool building and whether the condensation issues had been solved. This issue will be tracked as cooler weather approaches. He asked about covering the hot tub at night. A cover is on order.

Question was asked regarding handicap accessibility to the pool. We currently have a wooden ramp that is used. Need to find a better solution.

Question was asked about mold in Units 1 & 2. The Board has addressed this problem in the past and was unaware of new problems. It will make it a priority to follow up on this in 2006.

Question also asked about air exchangers in older buildings by hot tubs, as the standard has increased. This question is being addressed.

9. New Business – Question was asked if maps can be provided for finding meetings. These will be included in future meeting announcements. Question was asked about attending Board meetings and when and where these are held. This information will be on the website.

10. Motion was made and seconded to adjourn the meeting at 4:05 p.m. Motion carried.