

CAUSEWAY ON GULL
BOARD OF DIRECTORS MEETING
April 18, 2009

1. Association President, Tom Kraus called the meeting to order at approx. 9:00 a.m. Also present from the Board were Bob Edstrom, Gloria Williamson, Jim Kirkpatrick, Glen Johnson, and Pat O'Hara. Doug Johnson, Mark Nagel and Terry Miller were absent. Ad Hoc Committee members present were Daryl Luthens, Chuck Standfuss, and Robert Hanson. Laura Johnson and Dennis Nordstrand were absent. Legal Counsel, Dick Hawke, and Narveson Management Representatives Neal Narveson and LeAnne Rundhaug were also present.
2. A motion was made and seconded to approve the minutes from the Board Meeting held January 31, 2009. The motion carried.
3. Committee Reports
 - A. Finance Committee – Tom reported that he reviewed the preliminary 1st quarter financials and everything appeared to be in order. The costs of hot tub repairs and maintenance has increased because of the costs to bring them into compliance with the Department of Health. Following discussion, it was determined that the finance committee should get together to put together a revised budget for the rest of the year.
 - B. House & Grounds Committee – LeAnne reported that the eight hot tubs that needed the new drains are completed. Unfortunately with so much focus on the hot tubs that the RCI scores for unit maintenance have dropped slightly. Following discussion, a motion was made and seconded to spend \$20,000 this year and proceed with bringing the tubs into compliance with the State. The motion carried. The Board would like to try to get at least five more tubs completed by Memorial Day.

There was discussion regarding the indoor hot tub. It is sinking into the sand. Management was directed to obtain bids to resolve the issue and the project will be discussed as a budget item for next year.

Neal reported that they are still waiting to hear back from the contractor who looked at replacing the next roof. Bids should be obtained and e-mailed to the Board by May 15th. The Board will also need to consider replacing the roof on the Marina Building in the future. The building has a lot of leaks.

Gloria would like to see a plan developed to standardize the units (bedspreads, lighting, and other items).

Glen was concerned about the temperature of the indoor pool. He felt that the staff should be more receptive to guest requests. Management responded by saying that they can't just turn up and turn down pools upon everyone's request. Therefore, the Board directed 86 degrees to be the target temperature in the future.

- C. Communications Committee – Pat reported that he will start working on the Spring Newsletter next week. Several ideas were discussed for the newsletter including, encouraging owners to give updated e-mail addresses, and to advertise the rental program and have special offers for owners. It was also mentioned that a copy of the Bylaws should be posted on the web-site and a time limit should be set for owners trying to sell their week.
 - D. Policy Committee – Bob reported that the Developer Agreement with COG Partners was signed.
4. Management Report: Neal reported on the following:
- Advertising for the rental program was slightly delayed however and ad will start in the Tribune this weekend.
 - He is researching programs to work with the database of owner e-mail addresses and better communicate with the membership.
 - An addendum to the management contract will have to be made to authorize for rentals.
 - He has been in contact with Myron regarding the Crystal Pierz lease.
 - The new Front Desk Manger Billie Linstad is doing a great job.
 - Although he's not sure that Narveson Management can operate a re-sale program, he is looking into other possible options for the Association
 - Three weeks were taken back from a timeshare resale company that went bankrupt. A discussion followed regarding getting assurance that the Association is getting back clear titles. Following discussion, a motion was made and seconded to authorize Dick, at his discretion, to spend \$100 per interval week to work with the title company he currently uses when getting weeks back. The motion carried.

Management was directed to install handicap parking signs at the front desk building, the indoor pool, and the outdoor pool.

5. Old Business: There was no old business to discuss.
6. New Business:
- A. Tom updated the Board on the history with the original developer. They are currently not paying any maintenance fees on the intervals they own. He reported on what was discussed during a meeting he attended with a representative of Capital Source. Dick explained the foreclosure process and the title work that would be necessary prior to foreclosing. Following discussion, a motion was made and seconded directing Tom to reply by e-mail to Capital Source indicating our understanding of the terms and conditions that were discussed during the conference call, to proceed with sending a notice of default letter to Causeway Development, and authorizing legal counsel to spend up to \$12,000 to check title of the developer weeks at Causeway. The motion carried. Dick will contact the Board if he goes over the \$12,000 for approval to proceed.
 - B. Neal reported that Gull Partners have not paid their maintenance fees on the GLRC units. He will keep the Board updated on what happens in the future.
7. A motion was made and seconded to adjourn. The motion carried and the meeting was adjourned.