

**PELICAN LAKESHORE OWNERS ASSOCIATION
BOARD OF DIRECTORS' MEETING
JANUARY 2, 2009
MINUTES**

The Board of Directors of Pelican Lakeshore Owners Association, a Minnesota nonprofit corporation (the "Association"), met at 11:00am, January 2, 2009, at Leiding Township's meeting hall, in Orr, Minnesota. Directors Len Zabrocki, Dan Donovan, John Matthews, and Grover Gillespie attended the meeting. Jim Gray, Ray Ingebretsen, and Jim Saranpaa were unable to attend. Keith W. Baker also attended the meeting.

Mr. Donovan, President of the Association, brought the meeting to order at 11:05 A.M., noting that a quorum of Directors was present. He acted as chairman for the meeting. Mr. Baker, the Assistant Secretary of the Association, acted as secretary for the meeting.

APPROVAL OF MINUTES

The first item of business related to the minutes of the September 5, 2008, meeting of the Board of Directors. Upon motion made by Mr. Gillespie and seconded by Mr. Zabrocki, the minutes of the September 5, 2008 meeting were unanimously approved.

TREASURER'S REPORT

Mr. Saranpaa, Treasurer of the Association, was unable to attend the meeting due to a last minute conflict. However, Mr. Saranpaa had provided the Directors with a copy of his Treasurer's report covering the period from September 5, 2008, through today, January 2, 2009. An additional \$265.00 had been received as dues from new Members, while expenses totaled only \$7.76, leaving a net balance of \$1,216.22. Upon motion made by Mr. Gillespie and seconded by Mr. Zabrocki, the Treasurer's report was unanimously approved.

DUES AND INITIAL MEMBERSHIP PERIOD

The Directors discussed dues and the upcoming annual meeting of Members of the Association. The 2009 annual meeting will be the first meeting at which the Members will elect Directors. Under Article II, Section 7 of the Association's Bylaws, the Board of Directors determines and levies, from time to time, the amount and any deadlines for the payment of dues which must be paid in order to constitute and be eligible to be a Member for a period of time determined and specified by the Board of Directors. Only eligible and "paid up" Members are entitled to notice, voting rights, and other Membership privileges. At the July 25, 2008 meeting of the Board of Directors, the Directors approved a \$15.00 assessment that would grant eligible Membership status through the date of the 2009 annual meeting, provided that the assessment was paid by December 31, 2008. The Directors noted that, except for an IRS nonprofit corporation filing fee (approximately \$300), other significant expenses were not anticipated by the Association at this time. Given the existing balance of funds, the Directors discussed the possibility of extending the initial dues period to include much or all of 2009, and extending the deadline for payment to a date on or before the 2009 annual meeting. In this fashion, Members who paid dues in 2008 and new Members joining and paying dues in 2009 before a new deadline will continue to have Membership rights through the extended date and, therefore, be able to vote at the 2009 annual meeting without paying dues again. Potential new Members will not be discouraged from paying initial dues, since they will also receive Membership benefits for a period of time that includes the 2009 annual meeting and extends beyond that date. After this initial election cycle, the Directors anticipate that the annual dues period will run on an annual basis (calendar year or perhaps April 1 through March 31). Upon motion made and duly seconded, the Directors approved a resolution that the initial deadline was extended from December 31, 2008, to April 30, 2009 (subject to future change) and that the Membership period be extended through the later of (i) the day of the 2009 annual meeting or (ii) June 30, 2009. The Directors agreed they will revisit this issue prior to the annual meeting, make a final determination on the deadline for payment and the last day of the extended Membership period, and announce that decision through the Association's website and other means.

NAVIGATIONAL HAZARD MARKING DISCUSSION

Mr. Donovan then turned the Directors' attention to establishing a program through St. Louis County for marking navigational hazards on Pelican Lake. They reviewed and finalized a letter to the Sheriff Ross Litman that had been prepared and circulated among the Directors that set forth reasons for marking the lake's hazards. The Directors acknowledged that funding may be a major issue for the County, especially if placement and retrieval of buoys was outsourced to a third party vendor. A while ago, Sergeant Davis had advised a Director that money for this kind of program had recently been eliminated. The Pelican Lake Resort Association was identified as an entity that could provide assistance with the buoys, if needed. Liability issues were also mentioned. Of course, not every reef on the lake could be marked; it would be impractical. The Directors agreed that Rep. Dill, Sen. Bakk, and Commissioner Forsman should also be notified. The Directors authorized Mr. Donovan, as President of the Association, to send the letter to Sheriff Litman and provide copies to the others.

DAM AND WATER LEVEL DISCUSSION

Next, the Directors reviewed the continuing issues relating to the Pelican Lake outlet dam and water levels. The Association sent a formal communication to Ms. Amy Loiselle, Minnesota DNR Area Hydrologist, in late October 2007, setting forth the Association's position and requesting a meeting with the DNR. Copies of this letter were also provided to Messrs. Bakk, Dill, and Forsman. Despite some very limited communication from the DNR, no real action on the DNR's part had occurred to the disappointment of the Directors. The Directors reviewed the history and related issues pertaining to water levels, the dam's historic height, the new dam's construction, and other issues. The Directors agreed that none of the three (3) options cited in the October 2007 draft report were attractive from the Association's perspective and agreed that a final attempt to communicate with the DNR for an in person meeting would be made. Mr. Donovan was directed to contact the DNR again, along with Messrs. Bakk, Dill, and Forsman, to schedule a meeting within a month with some or all of the Directors and key DNR personnel so that the Association's Members' concerns could be communicated. The Directors acknowledged that a new law (authorizing an official, higher runout elevation) may be required to effectively remediate the Members' concerns. Any proposed law change may entail other concerns, including loss of water levels downstream, increased water levels on the lake (will some landowners claim negative impact?), and whether changes in floodplain elevations would result. While the DNR may not agree with the Association's position, it is important for the DNR and the elected officials to understand the Members' opinions and positions.

WEBSITE AND COMMUNICATIONS

As a final matter on the agenda, the Directors discussed the existing draft of the website, which was not yet available to the public. The Directors asked Mr. Donovan to thank his brother for his work on the website to date. The next steps are to finalize a "website email address" which can be checked by the Association's officers and then move the website to the internet location reserved by Mr. Gillespie's son. Then, the website will be available to all on the internet. Members will be notified by email or in writing, with notices posted in Orr. A press release will also be issued at that time.

OTHER BUSINESS

Mr. Zabrocki, Secretary of the Association, reported there were approximately 138 Members. He presented an extensive address roster of Members. The other Directors thanked him for his hard work on this important project. The Directors also authorized a \$20 disbursement to the Township to offset heating costs for meetings.

There being no further business, upon motion made by Mr. Zabrocki, seconded by Mr. Gillespie, and unanimously approved, the meeting was adjourned at 12:35pm.

/s/ Keith W. Baker

Keith W. Baker, Secretary for the Meeting