

**PELICAN LAKESHORE OWNERS ASSOCIATION
BOARD OF DIRECTORS' MEETING
MAY 30, 2010
MINUTES**

The Board of Directors of Pelican Lakeshore Owners Association, a Minnesota nonprofit corporation (the "Association"), met at 1:00 p.m., Sunday, May 30, 2010, at Leiding Township's meeting hall, in Orr, Minnesota. Directors Dan Donovan, John Poczekaj, Jim Hawkinson, and Grover Gillespie attended the meeting. Director Len Zabrocki was not able to attend the meeting at its commencement, but arrived and attended later in the meeting. Directors Ray Ingebretsen and Tom Pelach were unable to attend the meeting. Keith W. Baker, Assistant Secretary, also attended the meeting.

Mr. Donovan, President of the Association, brought the meeting to order at 1:00 p.m., noting that a quorum of Directors was present as required by the Bylaws. He acted as chairman for the meeting. Mr. Baker, the Assistant Secretary of the Association, acted as secretary for the meeting.

APPROVAL OF MINUTES

Mr. Donovan referred the Directors to the minutes of the December 28, 2009 meeting. Upon motion made by Mr. Poczekaj and seconded by Mr. Gillespie, the minutes were unanimously approved.

TREASURER'S REPORT

Mr. Zabrocki, Secretary and Treasurer of the Association, had prepared his Treasurer's report in advance of the meeting and copies were reviewed by the Directors in attendance. Upon motion made and duly seconded, the Treasurer's Report was approved.

BANKING MATTERS

The Directors then discussed again an update to the Association's procedures for writing checks. Prior to the December 28, 2009 meeting, two (2) signatures were required for writing checks. At the December 28, 2009 meeting, the Directors approved the use of just one (1) signature. American Bank had prepared additional documentation and signature cards and Mr. Donovan had been included as a signatory, along with Mr. Zabrocki and Mr. Gillespie. The Directors reviewed the new resolutions and documentation and, upon motion duly made and seconded, the following resolutions were unanimously approved:

Resolved: American Bank of the North (the "Bank") is reaffirmed as an authorized depository of the funds of the Association and the terms, conditions, and provisions of the Bank's standard resolutions with respect to accounts and agreements with the Bank are approved as if set forth at length.

Resolved Further: That checks, withdrawals and/or other orders for payment for the Association may be signed by any one (1) of the following: Len Zabrocki, Dan Donovan, and Grover Gillespie.

2010 ANNUAL DUES DEADLINE FOR VOTING AT 2010 MEMBERS' MEETING

Next, the Directors discussed the annual dues required for membership in the Association for calendar year 2010, as contemplated by Article II, Section 7 of the Association's Bylaws. Presently, the deadline for dues payment and voting at the upcoming annual meeting was June 1, 2010, and the Directors discussed an extension of the deadline. Upon motion made by Mr. Gillespie and seconded by Mr. Poczekaj, the Directors unanimously approved the following: (i) dues remain assessed at \$15.00 per Member and remain levied for the period commencing January 1, 2010 and expiring on December 31, 2010; (ii) the deadline for paying 2010 dues and, consequently, being entitled to vote at the 2010 annual Members' meeting is extended through July 25, 2010; and (iii) the record date for voting at the 2010 annual Members' meeting is extended through July 25, 2010.

PELICAN LAKE OUTLET DAM DISCUSSION

Mr. Poczekaj related his brief meeting with DNR Commissioner Holsten on the day before the fishing opener at an event on Lake Kabetogama. Following up on Mr. Poczekaj's conversation, Mr. Gillespie has been contacting the Commissioner to set up a meeting with some Directors about the outlet dam. So far, the Commissioner has not responded with any commitment as to when he can meet. The Directors reviewed the history of the dam, especially for the benefit of Director Hawkinson. They discussed leakage in the dam due to construction related defects. In lieu of expending funds on a registered land surveyor, Mr. Hawkinson agreed to obtain a transit and, using MN DOT benchmark elevation data and the assistance of Mr. Donovan and another volunteer, attempt to measure the elevation of the runout level of the dam to determine whether there was any significant variance from prior measurements. The Directors acknowledged that, at a minimum, the dam must be adjusted at least the 2 inches already recognized by the DNR in a manner that allows for further adjustment due to settling issues that may be ongoing. Mr. Hawkinson suggested that the construction plans should be obtained and reviewed in connection with the prior leaks and whether the leaks were in fact fixed. The construction plans will reveal how the dam was supposed to be built. It would also be important to know who did what to the dam subsequent to the initial construction. Plugging the fish hole in the dam was also a given. Mr. Gillespie was asked to continue his efforts to set up a meeting with the Commissioner.

OTHER DISCUSSION

Mr. Zabrocki then joined the meeting. For the remainder of the meeting, the Directors briefly discussed a handful of matters. Mr. Gillespie suggested that the Association could contact the lake's various map makers and provide coordinated information on the correct names for various island, points, and the location of reefs. There was discussion about whether the Resort Association will provide the GPS coordinates for the lake's hazard markers. There may be some hesitation to do so, in case of inadvertent errors or other concerns. Members have been asking for the coordinates. With the recent acquisition of the land for the new Lake Vermilion state park, the Directors agreed that it was still important to monitor future developments to assure that there are no plans for actions that may negatively impact Pelican Lake (e.g., sale of state owned land). On a final matter, Mr. Donovan advised that he will step down as President of the Association after the July 25, 2010 annual meeting. Members will have then elected a slate of Directors. The Directors will then elect officers for the Association.

There being no further business, upon motion made, duly seconded, and unanimously approved, the meeting was adjourned at approximately 2:50p.m.

/s/ Keith W. Baker

Keith W. Baker, Secretary for the Meeting