

Minutes
Chautauqua Property Owners Association, Inc.
Special Meeting of Board of Directors
Held Telephonically
October 13, 2016

Board Members Present: Barbara Brady, Jim Vance, Jeff Lutz, Paul Perry, Jane Stirniman, John Dilley, Suzanne Shull, Chris Anderson, Carrie Zachry, Bob Jeffrey, Hugh Butler, Jim Klingensmith, and Bill Neches.

Absent: Karen Conover, Linda Turri, Fred Rice, and Darlyne Johnston.

President Barbara Brady called the special meeting by pursuant to notice not less than 72 hours before the meeting, said notice having been given by e-mail. The meeting was held by telephone conference call.

Barbara Brady called the meeting to order at 4:03 p.m.

The roll was called and the president determined that, more than one-half of the total number of members being present, there is a quorum present.

Jeff Lutz moved Motion #1 attached. The motion was second by Hugh Butler.

After discussion, the motion was unanimously approved by roll call vote.

John Dilley then discussed a loan to CUD relating to lighting project expenses.

John Dilley moved to lend up to \$8,500 to CUD for a National Grid field study and professional fees related to the lighting project. The motion was seconded by Hugh Butler.

The motion was discussed at length. Among other things, the following were discussed:

- CUD intends to issue bond anticipation notes in 2017. The CUD board of supervisors can vote to approve bonds only after the CUD agreement with National Grid is finalized.
- CUD may or may not be able to repay the loan out of 2017 funds.
- We need loan documents for agreement to repay.
- CI has determined that they have a problem donating anything to CUD. CPOA may have a problem donating to private party, i.e. the CUD.
- CUD has already received \$4,500 from CPOA without a note. That needs to be documented.
- If we don't fund CUD's obtaining the field study, we may not be able to complete the lighting project before the 2017 season.
- We are not in the business of making loans. This is outside the ordinary course.
- This is part of what we have been working on for years. By the time all is in order, it will be mid-November. This may be moot if National Grid is

not ready to move forward by then. If National Grid decides to move forward shortly, lack of funding would cause a delay.

- Vote would show support. If funds are needed, the passing of the motion would allow us to advance.
- We don't have unlimited resources. There are too many unanswered questions.
- We wouldn't make the loan unless officers are satisfied.
- Jim Vance commented that it would be prudent to delay the motion for a week or two. That way we could clarify documentation, terms of repayment, when National Grid is likely to start, etc.
- John Dillely said in a week we should know what existing legal bill is. National Grid won't do anything until field study is completed.
- If bonds don't get floated or if National Grid terms are not resolved, the loans will not get repaid.
- If we fund the field study, National Grid would get an outside firm to do it. We must write a check to CUD.

John Dillely moved a friendly substitute motion (see attached Motion #2).

Bob Jeffrey moved to table the motion. Bill Neches seconded the motion. The motion to table passed by voice vote.

A motion to adjourn was moved and seconded. It passed by voice vote.

The meeting was adjourned at 5:22 pm.

Paul Perry
Secretary

Motion #1

WHEREAS, the Chautauqua Property Owners Association, Inc. (the “CPOA”) has operated as an organization operating in the best interest of the owners of property on the grounds of the Chautauqua Institution; and

WHEREAS, it is desirable that the CPOA seek a determination from the Internal Revenue Service, and, if necessary from the State of New York, that the CPOA is exempt from income taxation; and

WHEREAS, it is necessary and appropriate for the CPOA to obtain a determination of any and all back tax issues, if any;

NOW, THEREFORE, it is moved:

(1) That the Executive Committee is authorized and directed to file (a) an application for recognition of exemption under Section 501(c)(4) of the Internal Revenue Code, (b) an application for a determination of tax exemption, and (c) such other filings that may be necessary to obtain Federal or state tax exemption status;

(2) That the Treasurer is authorized to pay the necessary filing fees to obtain tax exempt status and professional fees necessary to obtain tax exempt status and to resolve back tax issues, if any.

Motion #2

WHEREAS, the Chautauqua Property Owners Association, Inc. (the “CPOA”) has worked in cooperation with the Chautauqua Utility District (“CUD”) and the Chautauqua Institution (the “CI”) to acquire and replace the street lighting on the grounds of the Chautauqua Institution (the “Project”); and

WHEREAS, the Chautauqua property owners voted overwhelming to approve the project; and

WHEREAS, the CUD needs additional funding to cover transition expenses to implement the Project; and

WHEREAS, the lending of additional funds to the CUD is in the best interest of the owners of property on the grounds of the Chautauqua Institution;

NOW, THEREFORE, it is moved that the Treasurer is authorized to lend up to \$10,000 to the CUD for the purpose of funding the field study and professional fees related to the Project upon such terms and conditions as the Officers determine to be necessary and prudent.