

BY-LAWS AND RESOLUTIONS ADVISORY COMMITTEE
MEETING MINUTES
EAST ROOM-COMMUNITY CENTER
MARCH 13, 2012

The meeting was called to order at 9:00 am by the Chairman Jim Trummel. Present in addition to the chairman were Committee members Paulette Mari and Nelson Fenwick.

There were no Association members present for comment.

The agenda for the meeting was approved.

Resolutions for Review:

- a. The Chairman reported that Resolution F-04, Delinquent Assessments was on the agenda for the February meeting of the Board. However, the Board review of the resolution was deferred to a future meeting because of lengthy discussion of priority matters.
- b. The Chairman reported that Resolution C-11, Golf Advisory Committee, was placed in an inactive status, by an approved motion, at the October 25, 2011 meeting of the Board.
- c. Additional resolutions are coming into the two year review interval. However, further consideration is being deferred to enable discussions of the charter.

Association Charter:

a. Jim Trummel reviewed Article SIXTH. This Article establishes the non-stock and non-profit status of the Association. Also included is a provision for the distribution of assets in the event of dissolution of the Association, whether voluntary or involuntary. These provisions were in the original charter as adopted in August 1968. It was noted that non-profit is a requirement for being eligible to be a 501(c)(4) entity and that the Article as stated in August 1968 was consistent with a non-profit status. In August 1982, the Article was amended by adding the current second paragraph. This paragraph prohibits Association participation in political campaigns on behalf of any candidate for public office. Association efforts to influence legislation are limited by the Article to "No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation,..." It was commented that "propaganda" should be understood in a neutral context as propagating information, not in a negative sense. There was a brief discussion of potential tax liability associated with candidate campaigning or influencing of legislation. IRS regulations consider campaigning to not be a promotion of social welfare and there could be federal tax consequences for a 501(c)(4) or a revocation of tax exempt status in extreme circumstances. A 501(c)(4) is not prohibited from attempting to influence legislation. There are 501(c)(4) entities formed for the purpose of influencing legislation and tax liability is related to notice (or lack of notice) to members regarding legislative activities. Jim Trummel noted that the only amendment to Article SIXTH since the original in 1968 was the 1982 amendment to prohibit candidate campaigning and limit activities to influence legislation. He recommended that the Article remain as currently written. The

Committee decided to leave the Article as is, with further consideration when a complete draft of a revised charter is prepared.

b. Article SEVENTH (member voting) was discussed only briefly due to time constraints.

There were no Association members present for comment.

The meeting was adjourned at 10:00 am.

Jim Trummel
Chairman