

CHAUTAUQUA INSTITUTION BOARD OF TRUSTEES
Wendt Board Room, Chautauqua Institution, Chautauqua, NY
8:30 a.m. Wednesday, December 30, 2015

MINUTES

<u>Members Present</u>		<u>Members Absent</u>	<u>Others Present</u>
Jim Pardo – Chair	Kyle Keogh	Christine Brueschke	Sebby Baggiano
Karen Arrison	Ron Kilpatrick	Bonnie Gwin	Rindy Barmore
Cathy Bonner (ex-officio)	James Klingensmith		Thomas Becker
Don Boswell	Candace Maxwell		Steve Dechert, L.P. Ciminelli
Jim Brady	Bob Metzgar		Geof Follansbee
Hugh Butler	Greg Miller		Kevin Lacey, PCS
Carolyn Byham	John Milos		Brandon Lawlor, PCS
Judith Claire	Sheila Penrose		Richard Moore, Counsel
Laura Currie	Tim Renjilian		George Murphy
John Haughton	David Rosen		Bill Neches
Bob Jeffrey	Larry Thompson		Rob Peters, L.P. Ciminelli
	Dede Trefts – V. Chair		Sam Price, Counsel
			Marty Serena, Serena & Strum
			John Shedd
			Jordan Steves

Mr. Pardo called the meeting to order. Mr. Pardo noted that the special meeting of the Board of Trustees had been called by him pursuant to Sections 1.6 and 1.7 of the By-Laws of the Chautauqua Institution for the purposes set forth in the previously transmitted November 9, 2015, notice of special meeting. Mr. Pardo conducted a trustee-by-trustee roll call, confirming the presence (in person or by telephone) or absence of each Trustee and further confirming with each Trustee who was present in person or by telephone that all persons participating in the special meeting were able to hear each other at the same time. Mr. Pardo also noted for the record that a quorum existed with those Trustees present in person and by telephone.

Mr. Pardo opened the meeting with a word of prayer.

Mr. Pardo then called on Mr. Kilpatrick. Mr. Kilpatrick reported that the Amphitheater-Related Special Committee unanimously recommended that the Board approve the form of Amphitheater-related resolution that had been distributed to the Board by email prior to the Board meeting. Mr. Kilpatrick's report and the recommendation of the Amphitheater-Related Special Committee were taken as a motion, which was seconded, and discussion ensued.

Cost and Design of the Final Project

De-Scoping, Cost Reconciliation, Re-Bidding and Value Engineering

Mr. Baggiano referred to and discussed in detail the total projected construction costs for the Amphitheater Project as contemplated in the proposed guaranteed maximum price contract with L.P. Ciminelli. Mr. Baggiano explained the analysis used during the de-scoping, cost reconciliation, re-bidding, and value engineering processes that resulted in total projected project costs of \$41.5 million.

Mr. Baggiano responded to questions from various Trustees, and discussion among the Trustees continued.

Cost Reduction and Design/Value Engineering Changes Since Initial Bids

Mr. Jeffrey and Mr. Rosen discussed their work with L.P. Ciminelli and with Staff in the de-scoping, cost reconciliation, and value engineering processes relating to the project. They referred to and discussed in detail a number of the materials that previously had been provided to the Board relating to this work, all of which are referenced in Appendix B to the final resolution. Mr. Jeffrey noted that the Amphitheater-Related Special Committee of the Board spent significant time reviewing and assessing the proposed list of cost saving measures. The Special Committee determined that a design or value engineering change would be appropriately pursued and potentially accepted only if it would not materially change the project as previously communicated to the Chautauqua community or compromise any of the goals established by the Board for the project. Mr. Jeffrey and Mr. Rosen reported that the proposed cost reductions do not affect the structural integrity, the safety, the functionality, and the accessibility, the longevity of the materials and systems, or the overall experience of the audience or performers in the Amphitheater. Mr. Jeffrey discussed the design and value engineering process in detail and noted several specific items that had been removed from or modified within the project and several other items that had been considered but retained without change within the project. Mr. Jeffrey noted that most of the de-scoping and value engineering changes arose from material substitutions, efficiencies in manufacturing, or construction efficiencies identified by L.P. Ciminelli and various of the subcontractors. Mr. Jeffrey and Mr. Rosen responded to questions from various Trustees, and discussion among the Trustees continued.

The Board acknowledged the work of Mr. Rosen and Mr. Jeffrey in evaluating the de-scoping, cost reconciliation, and value engineering processes relating to the project.

Construction Time Line for the Final Project

Scope of Work Under Expanded Enabling Phase

Staff has worked with L.P. Ciminelli regarding the construction time line and those pre-construction activities and construction activities that can be undertaken and completed in the enabling phase (prior to the commencement of the 2016 season). Members of Staff that utilize the back of the house facilities were actively involved in this work. Mr. Serena and Mr. Shedd reviewed several slides that showed the construction time line and phases of the project, including those that would begin in February 2016. The enabling phase will now include the demolition of sections of the back of the house of the Amphitheater and the removal of landscape in that area. Mr. Shedd discussed in detail those activities that would begin in February 2016 and related plans for risk mitigation, including the use of temporary trailers for staging of the various programs during the 2016 season. The bleachers on the west side of the Amphitheater also would be removed during the enabling phase and temporary bleachers would be installed for the 2016 summer season only. Mr. Serena and Mr. Shedd responded to questions from various Trustees, and discussion among the Trustees continued.

Construction Milestones

Steve Dechert from L.P. Ciminelli reviewed the construction schedule, including the schedule of activities included within the enhanced enabling phase. He outlined the phases and construction milestones

beginning in February 2016 through completion in May 2017 that seek to ensure timely delivery of the Certificates of Occupancy for 2016 and 2017 seasons. Mr. Dechert responded to questions from various Trustees, and discussion among the Trustees continued.

Identification of Sub-Contractors & Related Costs

The list of sub-contractors chosen to perform work on the final project and the final agreed upon cost figures under their respective subcontracts was provided to the Board. Mr. Dechert discussed the process for qualification and selection of the sub-contractors, which included among other things a review of their financial condition, safety record, and experience relating to projects of similar size or scope. The selected sub-contractors have been active participants in the project and in the de-scoping and value engineering processes. There are several sub-contractors with offices in Chautauqua and Erie Counties as well in other areas within New York State. Mr. Dechert responded to questions from various Trustees, and discussion among the Trustees continued.

Status, Timing and Process of Permitting for Each Phase of the Final Project

Mr. Price discussed the permitting process. Based on discussions with the Town of Chautauqua, Mr. Price and Mr. Shedd expect the Institution to receive all permits required for the full enabling phase by Monday, January 4, 2016. Thereafter, the Institution will need to receive an additional permit for the post-enabling phase work, which is expected to be received in February or, perhaps, March. The Town of Chautauqua has been very cooperative and, given the scope of the project, has hired a consultant to assist it in the permitting process. Mr. Price responded to questions from various Trustees, and discussion among the Trustees continued.

Reports of Consulting Expert

The Board received reports and presentations from Brandon Lawler and Kevin Lacey, representatives of PCS, the Board's consulting expert. The reports and presentations focused on the reasonableness and adequacy of the proposed reserves and contingencies, the constructability of the project within the projected budget, and the constructability of the project within the proposed time line. Mr. Lawler and Mr. Lacey discussed the process they utilized to review the contingencies and reserves associated with the project and to consider the issues of constructability, all based on the information provided to them by L.P. Ciminelli and the Staff. They provided their opinions of the probable construction costs, suggested construction manager reserve, suggested owner's contingency for change orders, and estimate of de-scoping/value engineering cost savings. In summary, PCS believes that the design and value engineering changes proposed by L.P. Ciminelli and the Staff should produce cost savings in the range currently estimated by L.P. Ciminelli and Staff. PCS has a high level of confidence in the project as detailed by L.P. Ciminelli and in L.P. Ciminelli's ability to deliver the project on time and within budget. They noted that project risk is greater in the area of construction time line than in the area of budgeted construction costs. Mr. Lawler and Mr. Lacey discussed the Institution's risk mitigation plan related to the construction time line and noted, among other things, that L.P. Ciminelli has in place the option of double shifts to make up time and to deal with weather delays. Mr. Lawler and Mr. Lacey complimented the Board on its and the Institution's work related to the risk mitigation plan, noting that it was the most comprehensive such plan they had seen by an owner on a project of this scope and size. They noted the importance of the onsite management of the project. Mr. Lawler and Mr. Lacey stated that they were unaware of anything more that the Institution might do in terms of planning and execution to improve the likelihood that the project will be completed within the proposed construction

time line. Mr. Lawler and Mr. Lacey responded to questions from various Trustees, and discussion among the Trustees continued.

Finalized Risk Mitigation Matrix

Mr. Baggiano reviewed the finalized Risk Mitigation Plan and the contingency plans contained therein, including contingency plans for alternative programmatic venues. The plan has been vetted by legal counsel as well as by L.P. Ciminelli, and it has been shared with each of the sub-contractors as well. Mr. Baggiano also discussed the projected financial ramifications to the Institution should the construction of the Amphitheater project produce the need for an alternate venue during the 2017 Season. Mr. Shedd reported that he has met with two vendors that could provide services and equipment needed for the production of the 2017 season in an alternative venue. Mr. Shedd provided detailed information to the Board about each of those vendors and their services, potential sites, the timing needed to implement such a plan, and the cost of alternative venues. Mr. Baggiano and Mr. Shedd responded to questions from various Trustees, and discussion among the Trustees continued.

Retention of Firm and Additional Staff to Assist with Project Management

Mr. Baggiano and Mr. Shedd discussed the proposed retention of a firm with construction management expertise to assist Institution staff throughout the construction period. The firm would provide oversight and management of the final project and assist with monitoring the work of L.P. Ciminelli as the construction manager. Staff is still in process of identifying the appropriate firm and hopes to have that in place in early January. Mr. Baggiano and Mr. Shedd also noted that the proposed construction budget also includes an additional direct hire to support Mr. Shedd in the performance of his responsibilities. Mr. Baggiano and Mr. Shedd responded to questions from various Trustees, and discussion among the Trustees continued.

GMP Contract and its Material Terms and Conditions

Mr. Moore reviewed the details and material terms of the proposed guaranteed maximum price contract with L.P. Ciminelli. His presentation included, in particular, a discussion of fees, of reserves and contingencies for both the construction manager and the owner (Chautauqua Institution), and of liquidated damages. Mr. Pardo discussed the Amphitheater-Related Special Committee's understanding of the construction manager's reserve and the owner's contingency for change orders. Mr. Moore responded to questions from various Trustees, and discussion among the Trustees continued.

Capital Projects Checklist

Mr. Kilpatrick, chair of the Asset Policy Committee and member of the Amphitheater-Related Special Committee, reported that the proposed Amphitheater project meets all of the requirements of the Capital Projects Checklist. This includes, among other things, the amount, terms, and conditions of committed philanthropy, the cash flow plan developed to manage the need for liquidity during the construction of the final project, and the plan developed to raise an endowment to fund the ongoing maintenance and repair of the Amphitheater facility, including capital preservation needs. Mr. Kilpatrick responded to questions from various Trustees, and discussion among the Trustees continued.

Amount, Terms and Conditions of Committed Philanthropy

Mr. Follansbee discussed the philanthropy committed by donors to the proposed Amphitheater project, including in particular the philanthropy committed by the Chautauqua Foundation. He also reviewed the expected cash flow from the donors to the project. Mr. Pardo noted the Institution's and the Board's appreciation to the donors and to the Chautauqua Foundation for their support of this project. Mr. Follansbee and Mr. Becker noted that the donors who have contributed to this project did so specifically for this particular Amphitheater project and that it is far from clear that these philanthropic dollars would have been made available to the Institution for other projects. Mr. Follansbee responded to questions from various Trustees, and discussion among the Trustees continued.

Cash Flow Plan to Meet Liquidity Needs

Mr. Pardo reported that he and Mr. Kilpatrick have worked with the Institution Staff and with representatives of the Foundation regarding the cash flow for the project. To bridge the difference between cash in and cash out, the Foundation has agreed to provide the Institution with a line of credit, the preliminary terms of which are set forth in a letter from Ms. Bonner contained in the meeting materials. Mr. Pardo commended Ms. Bonner and the Foundation's Executive Committee and Board for their assistance in coming to an agreement in principle on the line of credit. Mr. Pardo responded to questions from various Trustees, and discussion among the Trustees continued.

Plan to Raise Endowment

Mr. Follansbee reviewed the plan to raise philanthropic funds for an endowment for the Amphitheater. The plan calls for just over \$5 million to be raised for the endowment and includes various recognition opportunities. Mr. Follansbee noted that those who have provided funding for Amphitheater benches in the past will be honored appropriately in the plan. The \$5 million projected for the Amphitheater endowment was arrived at based on the analysis used in past capital projects (*i.e.*, the Strohl Art Gallery model). Mr. Shedd discussed that model in detail. Mr. Follansbee and Mr. Shedd responded to questions from various Trustees, and discussion among the Trustees continued.

Analysis of Estimated Operating Expense

Mr. Baggiano shared an analysis of the estimated operating expense implications associated with the renewed Amphitheater and its alignment with the strategic initiatives around growth in attendance. Mr. Baggiano responded to questions from various Trustees, and discussion among the Trustees continued.

Communications

Mr. Murphy discussed in detail the proposed communications plan related to the Amphitheater, which, among other things, would include a communication plan focused specially on those whose properties are located on the construction route and near the construction site. Mr. Murphy stated that plan will ensure detailed communications to the Chautauqua community through every step of the construction process. Mr. Murphy responded to questions from various Trustees, and discussion among the Trustees continued.

Other Issues

Impact of Foundation Commitment on Future Distributions to Institution

Mr. Follansbee discussed the possible impact that the Foundation's philanthropic commitment to the Amphitheater project might have on the Foundation's future support to the Institution. He responded to questions from various Trustees, and discussion among the Trustees continued.

Impact of Amphitheater Project on Institution's Ability to Meet Future Capital Needs

Mr. Follansbee also discussed whether the philanthropic commitments made by donors and the Foundation to the Institution for the Amphitheater Project would have affected the Institution's ability to meet future capital needs. He responded to questions from various Trustees, and discussion among the Trustees continued.

Action Items, Executive Session, and Resolution

On motion made, seconded and carried, the Board tabled the motion to approve the form of Amphitheater-related resolution that had been distributed to the Board by email prior to the Board meeting and moved into Executive Session, inviting Mr. Becker, Mr. Moore and Mr. Price to participate.

At the conclusion of the Executive Session, Mr. Pardo again called the meeting to order in plenary session.

On motion made, seconded and carried, the Board returned to the tabled motion to approve the form of Amphitheater-related resolution that had been distributed to the Board by email prior to the Board meeting. Friendly amendments to that motion were offered and consented to by those Trustees who previously had made and seconded the motion.

Thereafter, on motion made, seconded and carried, the Board of Trustees approved in its entirety the form of resolution attached to these minutes.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Rindy S. Barmore
Corporate Secretary
Chautauqua Institution Board of Trustees

DECEMBER 30, 2015
RESOLUTION OF THE BOARD OF TRUSTEES

Background

WHEREAS, the Board of Trustees of the Chautauqua Institution (the “Board”) at its August 29, 2015, meeting, after reviewing extensive materials, receiving various presentations and engaging in substantial discussion and debate, made certain findings, reached certain conclusions, and adopted certain resolutions relating to the Amphitheater project proposed by the Institution’s President and Staff, all as more particularly described and identified in the minutes of the August 29, 2015, meeting of the Board; and

WHEREAS, the Board relied on each of the Amphitheater-related statements of Background, of Findings and Conclusions, and of Resolutions contained in the minutes of its August 29, 2015, meeting during its November 6, 2015, working session and November 7, 2015, meeting (including during that meeting’s executive session); and

WHEREAS, during the period from August 29, 2015, to November 6, 2015, the Amphitheater-Related Special Committee met by telephone on six separate occasions and during those meetings, among other things, received updated reports on a variety of issues regarding the proposed Amphitheater project; and

WHEREAS, at its November 6, 2015, working session the Board, among other things:

- received a report and presentation regarding the status of permitting relating to the proposed Amphitheater project;
- received a report and presentation regarding the status of the competitive bidding process that had been undertaken by the Institution and its agents relating to the proposed Amphitheater project, as well as the bid de-scoping, cost reconciliation, value engineering, and other similar activities that had been undertaken by the Staff and

representatives of L.P. Ciminelli, Inc. and Serena Sturm since mid-October, 2015;

- received reports and presentations regarding the amount and adequacy of the proposed owner's contingency and construction manager's reserve, the project's risks (including the specific risks referenced in the draft project risk matrix), the constructibility of the project, the proposed construction time line, and the proposed management of the project;
- received a report and presentation regarding the competencies required within the Staff in particular and the project team generally to manage properly the proposed Amphitheater project (in all of its aspects) to ensure that the project can be timely commenced and completed within the overall final budget;
- received a report and presentation regarding the then-current level of committed philanthropy relating to the proposed Amphitheater project;
- received a report and presentation regarding the status of discussions between the Institution and the Chautauqua Foundation regarding a revolving line of credit that would ensure that the Institution has timely access to adequate liquidity to meet its project-related financial obligations as and when those obligations come due;
- received a preliminary report and presentation regarding the plans by which philanthropic gifts would be raised to fund an endowment for the ongoing and periodic maintenance, repair, and preservation of the post-construction Amphitheater structure; and
- received, analyzed, discussed, and had the benefit of the materials more particularly identified on Appendix A attached hereto and incorporated herein; and

WHEREAS, at its November 7, 2015, meeting the Board, among other things:

- found and concluded that it was premature to consider in detail the Institution's compliance with the requirements of the Capital Projects Checklist;
- found and concluded that it was premature to consider whether to authorize the Institution to enter into contracts associated with the final design and construction of the proposed Amphitheater project;

- found and concluded that it was in the best interest of the Institution to retain the services of a construction expert to provide such opinions and advice as may be helpful to the Board in connection with any possible approval of the proposed Amphitheater project;
- found and concluded that it was in the best interest of the Institution to retain the services of a professional with construction risk management expertise to work with Institution Staff and the Amphitheater-Related Special Committee to finalize the draft project risk matrix in advance of any possible approval of the proposed Amphitheater project;
- concluded, as the sense of the Board, that it would be in the Institution's best interest to retain a firm with construction management expertise to assist the Institution, as owner, with the management through completion of any Amphitheater project that might be approved in the future by the Board and to provide oversight of any contracted-for construction manager associated with such a project;
- concluded, as the sense of the Board, that it would be in the Institution's best interest in the management of any proposed Amphitheater project to identify and set appropriate and measurable milestones to ensure that certificates of occupancy can be delivered for the Amphitheater by dates certain calculated to allow the Institution to make fulsome use of the facility for the 2016 and 2017 Seasons;
- resolved that it was in the best interest of the Institution to renew and extend the term and powers of the Amphitheater-Related Special Committee of the Board (comprised of Mrs. Currie, Mr. Jeffrey, Mr. Kilpatrick, Mrs. Maxwell, Mr. Milos, Mr. Pardo, and Mr. Rosen) up to and through the end of the next regularly scheduled meeting of the Board on February 6, 2016; and
- determined that it was in the best interest of the Institution to set a Special Meeting of the Board for 8:30 a.m. on Wednesday, December 30, 2015, to permit the Board to consider any and all matters relating to the proposed Amphitheater project including, without limitation, the final design of the proposed project, the Institution's compliance with the Capital Projects Checklist relating to such project, and possible authorization for the Institution to enter into contracts associated with the final design and construction of such project; and

WHEREAS, during the period from November 7, 2015, to December 30, 2015, the Amphitheater-Related Special Committee met by telephone on six separate occasions and during those meetings, among other things, received updated reports on a variety of issues regarding the proposed Amphitheater project; and

WHEREAS, as a predicate for the Amphitheater-related discussions, debates, and actions taken by the Board at its December 30, 2015, special meeting, the Board again relied upon each of the Amphitheater-related statements of Background, of Findings and Conclusions, and of Resolutions contained in the minutes of its August 29, 2015, meeting, and each of those statements is hereby incorporated by reference as fully as if each such statement was set forth verbatim herein; and

WHEREAS, both prior to and at its December 30, 2015, special meeting the Board received, reviewed and considered comments that it has formally and informally received from individuals and groups in the Chautauqua Community regarding the Final Project; and

WHEREAS, at its December 30, 2015, special meeting the Board, among other things, received reports and presentations:

- regarding the status, timing, and process of permitting for each phase of the Final Project (as hereinafter defined);
- regarding the cost of the Final Project after completion of the de-scoping and re-bidding processes;
- regarding each cost reduction and design/value engineering change made to the proposed Amphitheater project since the receipt of the initial set of bids in mid-October 2015;
- regarding the GMP Contract (as hereinafter defined) and its material terms and conditions;
- regarding each of the subcontractors chosen to perform work on the Final Project and the final, agreed-upon cost figures under their respective subcontracts;
- regarding the reasonableness and adequacy of the reserves and contingencies contained in the GMP Contract;

- regarding issues relating to the constructibility of the Final Project, including in particular both constructibility within the budget and constructibility within the proposed time line;
- regarding the proposed time line for the Final Project, including the scope of work to be undertaken in the enabling phase prior to the commencement of the 2016 Chautauqua season and the inclusion of appropriate construction milestones to ensure timely delivery of certificates of occupancy for the Amphitheater for both the 2016 and 2017 Chautauqua seasons;
- on the finalized risk mitigation matrix and the contingency plans contained therein, including contingency plans for alternative programmatic venues;
- on the proposed retention of a firm with construction management expertise to assist Institution staff throughout the construction period with the oversight and management of the Final Project and with monitoring the work of L.P. Ciminelli, Inc. as construction manager;
- regarding the requirements of the Institution's Capital Projects Checklist and related issues, including, the amount, terms, and conditions of committed philanthropy, the cash flow plan developed to manage the need for liquidity during the construction of the Final Project, and the plan developed to raise an endowment to fund the ongoing maintenance and repair of the Amphitheater facility, including capital preservation needs;
- regarding the estimated operating expense implications associated with the renewed Amphitheater and its alignment with the strategic initiatives around growth in attendance; and
- regarding the Institution's continued communications plan associated with the construction of the Final Project; and

WHEREAS, at its December 30, 2015, special meeting the Board, received, analyzed, discussed, and had the benefit of the materials more particularly identified on Appendix B attached hereto and incorporated herein.

Findings and Conclusions

BASED, THEREFORE, UPON the foregoing, the Board, again incorporating by reference each of the Amphitheater-related statements of Background, of Findings and Conclusions, and of Resolutions contained in the minutes of its August 29, 2015, meeting as fully as if each such statement was set forth verbatim herein:

FINDS AND CONCLUDES that the requirements of the Institution's Capital Projects Checklist have been met with respect to the Final Project including, without limitation, the requirements that:

- the project and its design be consistent with the long-range planning and strategic direction of the Institution;
- the scope of the project be clearly identified and communicated to stakeholders;
- detailed cost estimates and competitive bids be obtained for the project;
- alternative construction contract options be considered;
- competencies needed to manage the project be considered;
- philanthropic gifts be committed to fund the project fully;
- a cash flow plan be developed for managing the project;
- a plan be developed to fund the ongoing yearly expenses of the facility; and
- a plan be developed to fund the ongoing maintenance and repair of the facility, including capital preservation needs; and

FURTHER FINDS AND CONCLUDES that it is in the Institution's best interest to proceed on a current basis with the Amphitheater project (as presented to the Board at its December 30, 2015, meeting, the "Final Project") so as to, among other things:

- enable that construction of the Final Project is commenced immediately;
- ensure that the Amphitheater is available for a full complement of programming during the 2016 Chautauqua Season;
- allow for construction of the Final Project to resume immediately upon the conclusion of the 2016 Chautauqua Season;

- ensure that construction of the Final Project can be substantially completed during the 2016-2017 offseason so as to allow the 2017 Chautauqua programming season to be timely opened in a renewed Amphitheater; and
- provide the flexibility for minor, “punch-list” completion activities to be undertaken at the project site immediately upon the conclusion of the 2017 Chautauqua Season.

NOW, THEREFORE, BE IT RESOLVED THAT

The Chautauqua Institution, acting through its President, Thomas Becker, or his designees, be, and it hereby is, authorized to enter into a guaranteed maximum price contract with L.P. Ciminelli, Inc. in the form presented to the Board at its December 30, 2015, special meeting (the contract, which provides for Total Construction Costs (including a Construction Manager Reserve of \$) of \$, for Total Construction & Soft Costs (including an Owner’s Contingency for change orders of \$) of \$, and for Total Project Costs of \$41,500,000, is referred to herein as the “GMP Contract”) for the construction of a renewed Amphitheater (and for any and all services incidental thereto, including, without limitation, site preparation and demolition activities) and, from time to time, such amendments and modifications (including change orders) to the GMP Contract as the President or his designees believe to be proper and prudent; provided, however, that such authorization to enter into the GMP Contract is conditioned on the receipt by the Chautauqua Institution (a) of all permits required to commence and complete the scope of work called for during the enabling phase of the Final Project by not later than January 8, 2016, (the date required by L.P. Ciminelli, Inc. for the delivery of the “Notice to Proceed” under such GMP Contract) and (b) confirmation to the Chautauqua Institution from the relevant contract counter-party professionals by not later than January 8, 2016, that the \$300,293 in proposed cost-savings in architectural and consultants fees has been agreed to and achieved; and provided further, however, that without further or additional Board approval neither the President nor any of his designees may on behalf of the Institution enter into any amendment of or modification to such GMP Contract (including change orders) that would increase the

cost of the project beyond that specified in the GMP Contract (inclusive of the owner's contingency for change orders), materially change the design of the Final Project as presented to the Board at its December 30, 2015, special meeting, materially increase any risk associated with the construction of the Final Project including, without limitation, any risk of delay or untimely completion, or materially impair the ability of the Final Project to meet the overriding goal for the Amphitheater project or any one or more of the subsidiary goals and objectives for the Amphitheater project, all as more particular specified in the minutes of the Board's August 29, 2015, meeting; and

IT IS FURTHER RESOLVED THAT

The Chautauqua Institution, acting through its President, Thomas Becker, or his designees, be, and it hereby is, authorized within the parameters of the immediately preceding resolution to take such further and additional actions and steps beyond execution of the GMP Contract (including any related amendments, modifications, and change orders) as may be necessary or desirable in connection with the construction of the Final Project (and for any and all services incidental thereto, including, without limitation, site preparation and demolition activities), including actions and steps to ensure that construction of the Final Project is commenced immediately, ensure that the Amphitheater is available for a full complement of programming during the 2016 Chautauqua Season, allow for construction of the Final Project to resume immediately upon the conclusion of the 2016 Chautauqua Season, ensure that construction of the Final Project can be substantially completed during the 2016-2017 offseason so as to allow the 2017 Chautauqua programming season to be timely opened in a renewed Amphitheater, and undertake such minor, "punch-list" completion activities as may be needed at the project site immediately upon the conclusion of the 2017 Chautauqua Season.

This 30th day of December, 2015.

APPENDIX A

Materials Distributed Prior to or At the Board of Trustees Working Session and Meeting on November 6-7, 2015

Minutes of the August 29, 2015, Meeting of the Board of Trustees

Chautauqua Amphitheater Cost Summary Comparison dated October 30, 2015

Projected Project Timeline Prepared by L.P. Ciminelli, Inc. dated October 30, 2015

Form of Chautauqua Institution Capital Projects Checklist (blank)

October 20, 2015, Memorandum from Geof Follansbee to the Campaign Cabinet (without attachments) regarding Plan to Raise Amphitheater Endowment

Draft Project Risk Matrix dated August 26, 2015

APPENDIX B

Materials Distributed Prior to or At the Board of Trustees Special Meeting on December 30, 2015

Letter dated November 3, 2015, from Cathy Bonner to James A. Pardo, Jr. and the draft term sheet attached thereto

Letter dated November 3, 2015, from Cathy Bonner to James A. Pardo, Jr. regarding actions taken by the Chautauqua Foundation at the October 31, 2015, meeting of its Board of Directors

Form of Capital Projects Checklist (Blank)

Contract Cost Summary Comparisons dated December 21, 2015, and December 23, 2015

December 23, 2015, List of Subcontracts, Subcontract Amounts, and Subcontractors

December 22, 2015, Memorandum from the Amphitheater-Related Special Committee regarding Bidding Process Cost Reductions

December 21, 2015, GMP Contract Bid Summary with Cost Adjustments

December 11, 2015, letter from Project & Construction Services, Inc. regarding Project Contingencies and Reserves

December 17, 2015, Project Time Line

Memorandum regarding Status of Amphitheater-Related Fund Raising and List of Donors with Anticipated Cash-Flow Associated with Pledges

December 23, 2015, Memorandum from Geof Follansbee regarding Plan to Build Amphitheater Endowment with Exhibit A

Promise Campaign and Amphitheater Endowment Communications Program, and attached Communications Plan, draft news release, and draft letter to affected property owners

December 28, 2015, Amphitheater Project Risk Considerations Matrix

Annual Operating Maintenance Cost Estimate December 28, 2015

Amphitheater-Related Project Revenue Opportunities

Summary of Contract with L.P. Ciminelli, Inc., including AIA A133 Outline Summary by Article and AIA A201 Outline Summary by Article

December 23, 2015, Memorandum from Bandlon Lawlor (PCS) and attached cost estimate analysis

December 29, 2015, correspondence from PSC regarding Risk Management Plan and Proposed Schedule

December 23, 2015, correspondence from Steven P. Dechert of L.P. Ciminelli, Inc. regarding Risk Management Phase and Proposed Schedule

December 28, 2015, Memorandum from John Shedd on Temporary/ Alternative Venue