MINUTES OF THE ANNUAL MEETING OF THE VAN AIRE SKYPORT CORPORATION MEMBERS
January 28, 2023

1. The Meeting was convened at the Brighton Recreation Center at 1 pm on January 28, 2023. Sign-in commenced around 12:45 pm. It was called to order by President John Conroy at 1:42 pm.

2. Summary of Roll Call:
    a. 44 Members were confirmed to be paid up and present in person or by valid proxy.
    b. 49 Members were confirmed to be paid up.
        i. Hence, at the start of the Meeting, 44/49 = 89% of the paid-up Members were present in person or by valid proxy.
    c. The Meeting commenced having met the 25% quorum requirement.

3. President John Conroy ("the President") noted that hard copies of the Notice of the 2023 Annual Members Meeting ("Notice"), the Agenda for the 2023 Annual Members Meeting ("Agenda"), and the Minutes of the 2022 Annual Members Meeting ("2022 Minutes") were all available at the back of the room.
    a. Linda Alexander noted that the 2022 Minutes were missing a discussion on making a tax strategy during 2022.
    b. Don Watkins moved to approve the Notice and the Agenda as presented and the 2022 Minutes with the changes suggested by Linda Alexander.
    c. Dan Metz seconded the motion.
    d. A voice vote passed the motion.

4. The President read the Minutes of the Special Meeting of the Members ("2022 Special Minutes") held September 17, 2022.
    a. Mary Barlow moved to accept the 2022 Special Minutes as read.
    b. Don Watkins seconded the motion.
    c. The motion passed by a voice vote.

5. President's Report: Highlights:
    a. The Bike/Walking Path had been designed, but the motion to proceed with construction had been rejected.
    b. The Kubota tractor has been paid-off.
    c. New policies required under Colorado Common Interest Ownership Act ("CCIOA") occupied much of the Board's time in 2022. It had been difficult for all. Particularly challenging were the Rules and Regulations for airport operations. Fortunately, Charles Elliston did a tremendous amount of work pulling together the details for airport operations.
    d. The President thanked the many volunteers who worked with the Board during 2022. He especially thanked Don Smallwood for his exemplary work on the common areas and equipment.
    e. Taxiway repairs were completed in 2022.

    f. The President introduced Ron Stites, Office Manager. Ron was away making copies of the Budget and Financials for the Members at the time.

6. Treasurer's Report: Postponed until later in the meeting when the hard copies of the Budget and Financials were available.
    a. Linda Alexander recommended that One Drive not be used for sharing information and document control but that only the website be used.

7. Audit Committee Report: Postponed until later in the meeting, after the postponed Treasurer's Report.

8. Architectural Control Committee Report: Jeff Johnson reported that one shed had been approved and one construction project had been rejected until set-back issues could be resolved.

9. Runway Committee Report: Charles Elliston reported that runway cracks had been repaired. He thanked all the volunteers that participated in the project.

10. Fuel Committee Report: Tom Thrall reported that we had completed the first full year with the new system. The equipment audit by the state office was passed easily. There is now a new locked gate on the ditch road to keep out trespassers. Tom gave out the lock code (not repeated here for security reasons). It is the same as that on the fuel shed.

11. Common Area Report:
    a. Don Smallwood reported that weed control and reseeding this year were about as unsuccessful as last year. He noted that he is resigning from the Common Area Committee. He later stated that he would be happy to help, but he did not want to be the lead on this effort.
    b. Don Smallwood reported on the 16 acres of land for sale mentioned in the 2022 Minutes. This year we were given a price of $1.5 million by the seller. Bill Teater noted that he got an opinion from a realtor that the value of the 16 acres might be closer to $48,000. These statements led to a discussion about the efforts of Brandon Jewett and Casey Meeks on behalf of Van Aire. No conclusions were reached.

12. Oil and Gas Report: Don Smallwood referenced the expected O&G revenue discussed in the 2022 Minutes. We still expect substantial income in the next few months, as noted in the 2022 Minutes. In addition, there may be 14 additional wells. Based on what we are hearing regarding total permits, there could be a total of 32 wells.

13. Investment Committee Report: Bill Teater reported that idle cash, less an amount to be held in a checking account to cover immediate costs, has been moved to a TD Ameritrade account. This transfer allows us to buy government-guaranteed CDs from large banks. Several CDs have been purchased with maturity dates ranging from 6 months to 1 year. Guaranteed returns vary based on the maturity date. They average about 4.7%. The purpose is to keep up with losing value

because of inflation. The expectation is that the $52,000 income will equal a little over half of the loss of value from inflation during that period.

14. Covenant Review Committee Report**:** Charles Elliston noted that the Board has completed and promulgated 3 of the 9 CCIOA required policies.
    a. Key policies that need to be taken up by the Board in 2023 include the following:
        i. A Reserve Study should be done. The Board is committed to doing this in 2023.
        ii. A Document Control Procedure needs to be written, approved and implemented. This action must be done so that Members can see critical documents as appropriate, but they must remain secure.
    b. Charles Elliston noted that this is difficult work. Some of what is in Van Aire Bylaws conflicts with some requirements in CCIOA. Hence, the Membership will need to be involved in the process. The Board will continue working on this in 2023.

15. Nominating Committee Report: The President reported that no Nominating Committee is active now. He will be seeking volunteers later in this Meeting.

16. Treasurer's Report: This Report was given by Office Manager Ron Stites.
    a. Ron reintroduced himself and gave his background. He noted that he had an MBA in Finance and Accounting but was NOT a CPA nor aspired to be one. Instead, his experience was in Managerial Accounting with the intent to give Management useful information for making decisions.
    b. Ron reviewed the hard copies of the Balance Sheet, a detailed Year End P&L, and a comparison of 2022 spending with the 2022 Budget. He also noted that he had segmented transactions since 2017 between normal operations, Oil and Gas related transactions, and Aviation Fuel transactions. These reports were created to assist the Board in evaluating historical and future cash flows and needs and keep funds segmented as needed. He noted that he has created "O&G" and "AvGas" classes in Quick Books (QB) and will continue to segment transactions into these classes for future financial studies and decisions.
    c. Ron also pointed out that depreciation and taxes were not included. These are being looked at by the Van Aire accountant, Marty Wadsworth.
    d. Linda Alexander noted that these data do not meet Generally Accepted Accounting Practices (GAAP) in some specific areas, including:
        i. Capitalization of the Bike/Walking Path (a "failed capital project"),
        ii. Listing the disputed amount with PES (about $23K) as an asset, and
        iii. Listing "Unrecognized Gains" as contributing to total income.
    e. Linda Alexander recommended that the Treasurer's Report not be approved until these items are resolved. She also added that it would be better to include more detail in the Balance Sheet to make issues like these easier to see.

f. Ron Stites acknowledged that these items were issues to be resolved and were being discussed with our Accountant. However, booking these items properly depends on their "final disposition." For example, the "Unrecognized Gain" was "recognized" this month (January 2023) when the gains were turned into cash with the conversion of Morgan Stanley investment into money to go into TD Ameritrade. We also have to consider the probability of collecting anything from PES; there have been new developments in the last couple of weeks. In any case, we will finalize these data with the Accountant in the next week or two. Then, we will have to reconvene the Membership to approve the final numbers.

g. Tom Larkin moved to table the vote on the Treasurer's Report. Sendee Mason 2nd the motion. Ted Stallone raised a point of order indicating that such a motion could not be made. The President intervened and suggested that the issue be moved to "unfinished business" to be taken up later. This suggestion was accepted without further discussion.

17. Audit Committee Report: Laura Larkin reported that she and Wendy Odenbrett had met with Ron Stites and reviewed documents and related entries in QuickBooks. They were satisfied that there was no "hanky panky" going on.

18. Election of Board Members:
    a. There being no opposition, The President declared Tom Thrall elected to the Board Member at Large. There were no objections.
    b. Tom Edwards volunteered to be the Board Member for Block 2A. There being no opposition, The President declared Tom Edwards elected as the Board Member for Block 2A. There was a brief discussion concerning Tom Edwards having the deed of trust for the property in Block 2A. He confirmed that he did hold that deed. He was accepted as the Board Member for 2A without further objection.
    c. Charles Elliston ran unopposed for another term as Board Member from Block 1A.

19. The President called for a 10 to 15-minute break for refreshments.

20. Old Business:
    a. Tax Strategy:
        i. Linda Alexander noted that Van Aire needs a Tax Strategy. This action should be a strategy that can live from one Board to another. The Membership should approve it.
        ii. The President responded that the Board is pursuing a strategy.
        iii. Linda Alexander noted that there is no documentation of that and is concerned that we cannot get anywhere.
        iv. Tom Thrall assured Linda Alexander that the Board intends to take up this matter in 2023.
        v. The President added that now is not the time to work through the many complicated details.

21. Staffing Committees for 2023:
    a. Audit Committee:
        i. Laura Larkin volunteered to continue on that committee. Helen Gaines also volunteered to be on the committee.
    b. Runway Committee:
        i. Charles Elliston, Vince Phelps, and Wayne Henke agreed to serve
    c. Common Area:
        i. Don Smallwood agreed to help as he could but not serve on the committee
        ii. Terry Jackson, Vince Phelps, and Charles Elliston agreed to serve on the committee.
    d. Investment Committee:
        i. Bill Teater agreed to continue on this committee.
    e. Covenant Review Committee:
        i. Charles Elliston agreed to continue on this committee.
    f. Nominating Committee:
        i. Bill Teater agreed to serve on this committee.
    g. Point of Information:
        i. Don Watkins wanted to inform all residents that the mail carrier had noticed some suspicious activity. Therefore, residents should watch their mailboxes to protect against identity theft.
    h. Oil and Gas Committee:
        i. John Allison and Don Smallwood volunteered to continue with this committee.
    i. Architectural Committee:
        i. Laura Larkin and John Conroy agreed to serve on the committee.

22. New Business (Announced in Meeting Notice)
    a. Amendment of Declaration and Covenants to Allow Chickens (attached):
        i. John Conroy presented the Motion to Amend. He noted that now is the time of year to start up a flock if allowed. He also stated that Adams County has rules that allow six hens in residential areas.
        ii. Ted Stallone raised a point of order. He asserted that there were not enough voters present to amend the covenants. This assertion resulted in a discussion on how many votes were needed. It was stated that one additional proxy had been verified paid up since the start of the meeting. This claim made the official count of 45 voters present in person or by proxy out of 50 paid-up Members or 90% of Members eligible to vote. This percentage was more than the 67% required. Therefore, the number of votes needed to pass was calculated to be 50 x .67 = 34. The process continued.
            1. Note: This was a slight error. The proxy in question had been counted at the start of the meeting. The correct number was 44 out of 49 eligible Members, or 89.8%. This percentage was still well more than the 67% required. The correct number of votes needed to pass should have been

calculated as 49 x .67 = 33 votes. This slight error did not factor into the outcome.

   iii. John Conroy continued with his presentation on the benefits of having chickens.
   iv. Jeff Johnson suggested changing the amendment's wording to allow horses and 12 chickens by simply inserting "and 12 chickens" into the existing language.
   v. Tom Thrall noted that if we change the wording significantly, we could be undermining the rights of Members who have not come to this meeting, believing that only what was in the announcement would be voted on.
   vi. Ted Stallone proposed adding additional amendments to the motion.
   vii. Tom Thrall raised a point of order. Amendments unrelated to the main motion cannot be allowed, especially when trying to follow a published agenda.
   viii. A vote was taken by secret ballot using the back side of the ballots distributed for electing Board members. The motion failed by a vote of 7 to 35.

b. 2023 Budget
   i. Ron Stites presented the Budget for a vote noting that the first line of the Budget included the Assessment proposed by the Board for 2023. Hence, the Membership was voting on both the expenditures for 2023 and the Assessment for 2023.
   ii. Linda Alexander moved that the 2023 Budget be approved with the caveat that oil and gas funds should not be used for day-to-day operational costs. The Board accepted this as a friendly clarification. Laura Larkin 2nd the motion. The motion passed by a voice vote. There were no dissenting votes.

23. Open Forum:
   a. Joel Sidell asked if it was permitted for him to cede his three minutes to Ted Stallone. Ted Stallone asked if those minutes could be combined with his requested time. Tom Thrall noted that minutes could not be combined. Our HOA attorney has recommended against doing that. The regulations on speaking time were designed to keep one group from monopolizing all the time available and not allowing others to speak. Hence, we have to limit time to enable everyone who wants to speak some time to speak.
   b. Ted Stallone asserted that the Board is usurping powers not given to them in the Bylaws (per Article III, Section 3(f)) and ignoring Roberts Rules of Order. He proposed that the Members present should use Article IV, Section 6(f) to open the current Meeting up to these matters even though they are not on the Agenda. Tom Thrall noted that Article IV, Section 6(f) allowed 20% of the Members present to require a secret ballot on any vote. It has nothing to do with adding to an Agenda.

24. Meeting Adjourned at 4:55 pm.