MINUTES OF REGULAR MEETING OF THE

VAN-AIRE SKYPORT CORPORATION BOARD OF DIRECTORS

April 14, 2022

1. PRESENT: Directors; John Conroy (President), Tom Alexander (At Large), Charles Elliston 1A, Brandon Jewett 2A, Bill Teater 1B and Guest, Buddy Goeritz, Member.

2. The meeting was called to order by John at 7:05 PM at Bill's home, 15846 Delta Ct.

3. Meeting minutes for March 8, 2022, were approved unanimously with additional note regarding that Charles Elliston may possibly fill the vacancy of board position 1A.

4. Report of Officers and Committees:
   Financials No report.
   Replacement accountant or bookkeeper, no progress yet.

   Audit Committee: Dawn Conroy, Laura Larkin. Report not needed until later.

   Fuel Committee: Tom Thrall, Ted Stallone, Charles Elliston, Jim Vyduna
   Charles reported that he (as a Fuel Committee member) will begin doing the compliance inspections of our fuel system as required by the state, as PES, LLC has not completed them as agreed upon. Charles reported the new fuel system price/quantity sign had blown down recently and he has repaired it, but it still needs some work. Bill suggested it be remounted inside the glass window for safety.
   Bill stated we are now in position, (after we collect more copies of our banking and fuel system information) to meet with Adams County Sheriff Dept regarding the criminal complaint against PES, LLC (Douglas Morrissett). This is related to PES, LLC's lack of reports and forwarding of fuel sales funds discrepancy. This will be initiated by the Fuel Committee.

   Runway Committee: Tom Alexander, Brandon Jewett, Mark Mason, Charles Elliston, Don Watkins
   The committee plans to find a contractor to do needed repairs on some taxiways.

   Common Area Committee: Don Smallwood, Terry Jackson, Vince Phelps, Steve Harless and Katie Thrall No report.

Architectural Control Committee: John Conroy, Sandy Mason, Ken, Jim Dyer, Jeff Johnson, Maria Riehl: No report

Investment Committee: Linda Alexander, Dawn Conroy, Morrie Hoffman
No report

Oil & Gas Committee: Ted Stallone, Tom Thrall, Don Smallwood No report.

Covenant Review Committee: Ted Stallone, Paul Danyew, Charles Elliston No Report

5. Old Business: Ongoing search for both a new accountant (possibly as assistant to Linda Alexander) and officer's position of Secretary

6. New Business:
   Charles Elliston agreed to serve as board representative for Block 1A. Ballots were sent to all members in Block 1A, including opportunity to vote for additional nominees. Charles was elected unanimously.

7. Following this from last month's board meeting minutes:

   A lengthy discussion was had regarding the use of oil and gas lease income and what to do from here. This follows the presentations at the last annual meeting, where we it was advised by our HOA attorney and a guest CPA regarding our legal and tax questions to consult with a tax attorney who specializes in tax for nonprofits. Bill will first recontact the tax attorney, Hurwit and Assoc. (a company who has already been involved with us, and who specializes in the nonprofit and philanthropy sector). This will at least be followed up by a conversation with our CPA, Marty Wadsworth of Wadsworth and Associates, Brighton. Will report back at least by next meeting.

   The Board of Directors again contacted the law firm of Hurwit & Associates and Bill drafted the following report to Van Aire Skyport Corporation members:

VAN-AIRE
A "FLYING" COMMUNITY

April, 14,2022

Dear Van Aire Members,
This letter is an extra update regarding the Van Aire Board of Director's actions with the oil and gas money recommendations made at this year's annual meeting by our HOA attorney and the CPA who accompanied him as well to our meeting.

First, as you might recall several comments were made by Mr. Firmin and Mr. Rubin about our situation and what we might do going forward. However, bottom line, the main point was that we "strategize" with an income tax attorney that specializes in this field on how to handle the concerns. So that is what the Board has done. We have consulted with, Janet M. Rickershauser, of HURWIT & ASSOCIATES, a firm of about 15 attorneys who specialize nationwide in *Legal Counsel for Philanthropy and the Nonprofit Sector* near Boston, MA.

After reviewing our tax returns for the years 2016 – 2020 as well as Colorado law, et al., she has explained where we stand with all our issues and questions. As this took quite a while and we can go into a lot of detail I will try to be brief with each statement.

1. *As you might suspect my first concern is to explain whether we have any potential legal problems looming with the IRS regarding large fines or penalties, etc.*
   The answer is, no we do not. As we followed the IRS requirements of declaring our income and paying the taxes owed properly, we have no potential liability or fines, and further concern is unwarranted. Subsequently there is no need to start a fund for paying IRS fines.

2. *What are the issues with the IRS and our* **501***(***c***)(***7***) status?*
   Our status is that we are still the same. No change. Change will come when the IRS, at some point, looks at it and decides we must begin to file as a C corporation. This may be more likely as we soon receive additional oil and gas funds. That will not be a problem or present more difficulty. It is possible that the IRS has looked at us and considered the large payment we received earlier and considered it an unusual or one-time occurrence and that they are not going to insist that we change to a C corporation. We are still filing the same Form 990 and 990-T nonprofit tax forms.

3. *Use of, and/or separation of our oil and gas money from other income, i.e., paying for the operation & maintenance of the airpark with assessments only.*
   The answer is, this is not necessary and serves no purpose. Simply, we can pay the electric bill out of the oil and gas income or pay for the common area improvements from HOA assessment money as it is fine to have it all in one operating account. No

additional tracking of the expenditures other than ordinary detailed expense tracking is needed. She also pointed out that keeping separate accounting in any way is a red flag for the IRS and should be discontinued.

She did say we should continue to track our income separately so the amount of income from each source can be reported to the IRS correctly. She agreed on three income accounts in our system named:

1. HOA Assessments Income
2. Aircraft Fuel Sales Income (she particularly advised to make this clear and against it being referred to as "assessments" as it is misleading)
3. Oil & Gas Income

And add any other income accounts as needed.

4. *How about Colorado?*
   Our tax regulation with the IRS is essentially followed by the states and if we continue to file state tax returns correctly Janet sees no issues in this area.
   Also, we are organized as a nonprofit corporation in the state of Colorado and are regulated under Title 7 by The Colorado Revised Nonprofit Corporation Act and application of these 64 pages is unaffected by our IRS classification.

Van Aire Skyport Corp. Board of Directors
Notes:
The Colorado Revised Nonprofit Corporation Act As of October 2019:
https://altitude.law/wp-content/uploads/2020/11/07307998.pdf

https://www.irs.gov/charities-non-profits/other-non-profits/social-clubs
https://www.hurwitassociates.com/janet-m-rickershauser/
https://www.hurwitassociates.com/practice-areas/

Bill Teater is happy to try to answer any questions anyone has regarding the above. Call 303-489-1310.

8. There was additional discussion about the proposed storage/meeting building. Member Buddy Goeritz is working on a cost breakdown and additional design decisions and will report back to the Board. Also, the area east of the picnic area was deemed by the Board to be the most acceptable location for the building. Consideration was also

given to whether or not to have bathrooms in the new building, necessitating well and septic being included in the project.
Inasmuch as complete architectural drawings signed off by architect and a structural engineer, there is much work to be done.

9. The bike/walking path received a great deal of discussion, including about the design, procurement of competitive bids, scheduling to get it done soon etc. The board has agreed the design would change from an asphalt installation to all concrete, 8’ wide, 4” thick, 4000 PSI with 8’ woven wire mesh was agreed to be probably the preferred design, but no official decision yet.
   To stay within the budget the more expensive concrete project may suggest the width would need be reduced. Actual bids on the different options will help make the decision.

10. Bill volunteered to work on getting the website replaced and up and running again. Time frame is not determined at this time.

11. The next meeting will be held on Wednesday May 4, 2022, at Bill’s home at 15846 Delta Court.

12. The meeting was adjourned at 10:15 pm.

Respectfully submitted,

Bill Teater