VAN AIRE SKYPORT CORPORATION BOARD OF DIRECTORS
Monthly Meeting Minutes for January 9, 2025

The meeting was held at the home of Jim and Jeanette Vyduna at 15886 Delta Court, Brighton, CO, on January 9, 2025.

Present at the Meeting are (indicate those present in person, present electronically, or absent):

- **Board Members:**
  - Director Maureen Bendure, Vice-President (1B) (Term expires at end of 2025)
  - Director Ed Cole (1A) – (Term expires at end of 2024)
  - Director Tom Edwards (2A) (Term expires at end of 2024)
  - Director Charles Elliston, President (Director At-large) (Term expires at end of 2025)
  - Director Buddy Goeritz (2B) (Term expires at end of 2025)
  - Treasurer Jeanette Vyduna
  - Secretary Mandy Donovan
  - Office Manager Ron Stites, Stites & Associates, LLC (attending electronically) (plans to retire at end of 2025)
- **Guests**:
  - Mr. John Conroy
  - Mr. Jim Vyduna
  - Mr. Brandon Jewett entered the meeting at approximately 6:45 pm and departed at approximately 7:00 pm.

NOTE: Everyone present should assume that all aspects of the meeting are being video and/or audio recorded.

1. President Elliston called the meeting to order at 6:05 pm.

2. Secretary Donovan
   - verified that meeting notice was issued in accordance with the bylaws,
   - conducted a roll call,
   - verified that a quorum is present, (all directors were present)
   - verified that the previous month's meeting minutes had been approved via email.

3. **President's Report**:
   - We wish to extend a big **THANK YOU** to **Leon Brodie** who very quickly after the last snowflake of our recent snowstorm on January 6/7^{th} landed, jumped

into the VASC snowplow truck, and got the taxiways and runways cleared in very short order. It is relevant to note that this is about a four (4) hour job, so it is no small thing! Again, thank you Leon!

- We also wish to welcome Ms. Mandy Donovan to our team as the board's new secretary. Mandy has graciously agreed to fill the vacancy created by Jenny Mack's recent departure due to increasing family demands.

- During the "New Business" portion of the meeting, we will conduct a first reading of the proposed VASC **Policy Prescribing Methodology in Revising Governing Documents** with an eye toward adopting the policy at the February monthly board meeting. The policy is not required by CCIOA, but occurrences at board and annual meetings over the years have demonstrated that we need a standardized, methodical process of evaluating and adopting proposed revisions to existing governing documents.

- Also during the "Treasurer's Report" portion, we will discuss Office Manager Stite's proposal to create an ad hoc committee named the "Tax Strategy Task Force" chaired by John Conroy to perform detailed research including soliciting legal advice on the topic of reconfiguring the corporate structure, if necessary, to permit access to the O&G money for ongoing facilities maintenance and long-term runway maintenance funds, that would be in compliance with Colorado law and IRS rules for organizations like ours.

- For the moment, prairie dog mitigation seems to have been successful. A drive-by inspection of the area adjacent to 160th Avenue over the last several days resulted in no sightings of the little critters. However, due to the large colonies on the north side of 160th Avenue, and west of Gun Club Road, they will probably reinfest next spring. We will be discussing this problem with the membership at the annual meeting to see it they think we should build a fence, or attempt to form a coalition with the neighboring land owners to eradicate their colonies.

- The Ad Valorem Tax issue with Weld County will be addressed in the Annual Meeting President's Report. Office Manager Stites and your board chair commissioned a tax attorney to investigate the issue. As you all know, Verdad has been withholding tax revenue from our royalty payments but not remitting them to the state. We received a letter from the state of Colorado advising us that we were in arrears and owed a substantial penalty. The tax attorney advised us that Weld County does not require Ad Valorem taxes to be paid for two years, but the state of Colorado requires them to be paid annually. He advised that we pay the taxes as the royalties are received and then expect to be reimbursed by the state when Verdad pays the taxes in Weld County.

- Bylaw revisions: You all were emailed a comprehensive copy of the bylaws complete with proposed revisions, including an executive summary of the major changes on January 6th. We will have a discussion to ensure that we are all in agreement with the proposed changes before they are presented to the membership for a first reading at the annual meeting

4. **Treasurer's Report**:
   - Financials:
     - Office Manager Ron Stites briefed the directors on current financial status, which is currently healthy. Areas of concern continue to be the requirement to pay Ad Valorem taxes to Colorado, despite the fact that Verdad continues to withhold said taxes but not pay them for up to two years, while the state of Colorado holds us responsible for paying them as the royalties are received. The attorney at Illumine Law advised us to just pay them and wait for the state to reimburse us when they catch up with the overpayments. One of the unrecoverable losses VASC will sustain as a result of this divergence between state law and Weld County Ad Valorem regulations is the interest we would have earned on the money we are double paying in taxes.

At approximately 6:45 pm, Mr. Brandon Jewett arrived to address the board in open forum. He had a time constraint, so the board accommodated him by suspending the business meeting temporarily so he could bring his concerns to the board before going on to other commitments.

A little background information is necessary to understand Mr. Jewett's concern. At a regularly scheduled monthly board meeting on May 8, 2024, the meeting minutes show that "Brandon (Mr. Jewett) presented proposed new rules and regulations. ▪ Maureen (Director Bendure) seconded the motion. ▪ Brandon communicated the large amount of the information in the previous Rules and regulations. and expressed the need to reduce, re-word or eliminate. He stated the intention to follow Van Aire Documents, Local and Federal Rules and regulations and to provide guidance and to limit Liability to VASC and to establish responsibility to each member for conduct on the use of the common area."

What was not reflected in the minutes, but was witnessed by all board members present, the guests that were present, and the board officers, is that Mr. Jewett, in his capacity as president of the board, presented a revised version of the three-year-old VASC Airport Operating Rules and Regulations (AOR&R) for immediate adoption by the board. None of the board members had seen the document prior to the meeting. Mr. Jewett called for a vote after a first reading of the document. Counting Mr. Jewett, there were four (4) board members present at the meeting. One board member abstained from voting saying he would not vote for a document he had not had time to study in detail. The vote was then three to zero (3 to 0) in favor, counting Mr. Jewett's vote. Of the two other board members who voted to adopt the document as presented, one asked to change their vote the next day, believing they had not had time to adequately consider the content of the proposed revision. This was not allowed, so in accordance with ARTICLE VIII, Section 1, (a), the proposed revision was presented to the membership.

At the June 11, 2024 monthly board meeting, the board learned that at the end of the thirty (30) day comment period, fifteen (15) written objections had been received. Another five (5) written requests for a special meeting to discuss the issue were also received, for a total of twenty-two members expressing concern about the proposed revision. The board agreed that in light of these objections, a special meeting and full membership ballot would be triggered by the receipt of more than ten (10) written objections to the proposal. The meeting minutes show that the board decided that Mr. Jewett, and Director Edwards "would compose a draft announcement of the details. The Board would approve the draft before sending it to the Members. Ed Cole seconded the motion. It passed 5-0." However, a few days later, Mr. Jewett resigned his position on the board. Consequently, no draft announcement was composed, and no special meeting was scheduled.

At the July 15th, 2024 monthly board meeting, the minutes record that during the Covenant/Bylaw Committee Report "Buddy (Director Goeritz) made a motion to retract the Board's proposed revision of the Airport Operating Rules and Regulations. Maureen (Director Bendure) seconded the motion and it passed unanimously."

The board's reasoning in this decision was that ARTICLE VIII, Section 1, (a) was intended to prevent the board from adopting new rules without membership approval. Since the board no longer supported the adoption of the previously proposed rule change, and therefore was not seeking to adopt or institute anything new, membership approval was not required to maintain the status quo. Hence there was no longer a need for a special meeting or a vote of the membership to reject or adopt a proposal that was no longer being offered.

Mr. Jewett made clear in his address to the board that he does not agree with this logic. He asserts that the written objections of the membership to his proposed AOR&R under ARTICLE VIII, Section 1, (a) of the bylaws requires the board to proceed with a special meeting and membership vote for a measure it no longer supports. He stated that he will set about creating a petition to force the board to bring the adoption of his proposed revision of the VASC AOR&R to a vote of the membership. He also stated that his interest was not so much in the outcome of the vote or what version of the AOR&R is ultimately adopted, as it is in ensuring the process prescribed in the bylaws as he interprets them is followed.

Mr. Jewett exited the meeting at approximately 7:00 pm, and the meeting resumed its previous extensive discussion of the Verdad Ad Valorem tax issue.

- Treasurer Vyduna briefed the board on invoice payments as well as estimated tax payments. There was considerable additional discussion on the mechanics of the Verdad tax problem, and of making estimated payments to the IRS, and how much we may recover in annual tax deductions due to prepayments. She also briefed the board on the findings of the Audit Committee, which were that the bookkeeping has been satisfactory. An Audit Committee representative will report the committee's findings to the membership at the annual meeting.

- Office Manager Stites proposed the creation of an ad hoc committee named the "Tax Strategy Task Force" to carefully investigate what steps the corporation should enact to position itself to take full advantage of the Oil and Gas money without running afoul of IRS regulations, or Colorado non-profit law. The proposed committee would be chaired by John Conroy. The chair asked for a motion "to create an ad hoc committee called the Tax Strategy Task Force, to be chaired by John Conroy and populated by volunteers he selects. Said committee will conduct research and seek legal advice from qualified tax and non-profit experts, providing monthly reports to the board, which may be verbal or in writing. The committee will be funded initially with $5000.00 for legal and research fees." Director Cole moved, and Director Edwards seconded the motion. It was passed unanimously.

5. **Committee Reports:**
   - **Architectural Control Committee:**
     Tom Edwards, John Conroy, Laura Larkin, Maria Rhiel
     - Nothing to report.

   - **Audit Committee:**
     Maureen Bendure, Wendy Odenbrett, Ed Cole, Helen Gaines, Nancy Flanagan
     - See Treasurer's report above.

   - **Common Area Committee:**
     Terry Jackson, Vince Phelps, Charles Elliston
     - There was some discussion about how best to mitigate the prairie dog problem in the coming years. The general opinion is that conventional eradication measures, if applied to the neighboring properties as well as ours would most likely be the most effective and least expensive approach for the long term. Director Goeritz stated that he would be speaking to Mr. Ripple (the owner of the property immediately west of our property on Gun Club Road) about his willingness to participate financially in the eradication effort. He specifically mentioned the possibility that Mr. Ripple owned the property on the north side of 160th Ave as well, and that some focus should be applied there. Also, Don Smallwood had previously agreed via telephone conversation, to contact the "Duck Club" to determine if they would be willing to work with us regarding prairie dog eradication.

   - **Covenant/Bylaw Review Committee:**
     Carl Goeritz, Don Watkins
     - Director Goeritz and Director Elliston led a discussion of the proposed revisions to the VASC bylaws for the board's consideration and approval prior to presentation to the full membership for a first reading at the annual meeting on January 18th, 2025. We hope to use the new website to conduct an electronic ballot of the full membership to determine if they wish to adopt the proposed revisions. Director Edwards moved, and Director Cole seconded a motion to "Approve the proposed bylaw revisions for presentation to the membership for a first reading at the annual meeting, followed by a 30-day comment period, followed by a full membership vote on the website or US Postal Service for our members who prefer working in hard copy." The motion was approved

unanimously.

- **Fuel Facility Committee:**
  <u>Jim Vyduna, Charles Elliston, Ed Cole, Ryan Bendure, Dan Metz</u>
  - Jim Vyduna reported that we have approximately 1,363 gallons on hand.
  - Director Edwards indicated that he had been in negotiations with a contractor to provide fire extinguishers for the runup pads at both ends of the runway, as well as at the fuel facility. The current estimate is $1500.00 per year. He will solicit a formal proposal to present to the Board for action at the next monthly meeting in February.

- **Investment Committee:**
  <u>Maureen Bendure, Laura Larkin, Office Manager Ron Stites, Jim Vyduna</u>
  - CD's are being rotated as they mature. A strong cash balance is being maintained for anticipated upcoming tax payments.

- **Nominating Committee:**
  <u>Maureen Bendure, Tom Edwards, Kathy Metz</u>
  - At the moment, DJ Hernandez has agreed to run for the Block 1A seat being vacated by Ed Cole. Director Tom Edwards will run again as the representative for Block 2A. There does not appear to be any competitors for those seats, so election by acclamation or appointment is likely.

- **Runway/Facility Committee:**
  <u>Vince Phelps, Charles Elliston, Wayne Henke, John Conroy, Leon Brodie</u>
  - No report, other than a big THANK YOU to Leon Brodie for very timely snowplow action recently.

- **Oil and Gas Committee:**
  <u>Don Smallwood, John Allison</u>
  - No report.

6. **Old Business:**
   - Walking/Biking Path: Board members were presented with a sample survey for distribution to the membership for completion at the annual meeting. The goal of the survey is to seek detailed membership guidance regarding its specific desires as to what the walking/biking path will eventually look like when completed.

7. **New Business:**
    - President Elliston presented a draft copy of a proposed **Policy Prescribing Methodology in Revising Governing Documents** for board members to read prior discussion and adoption at the next scheduled monthly board meeting. Mr. Elliston stated that historically, the corporation has had no uniform method for introducing, analyzing, and adopting revisions to existing governing documents. This policy will provide a standardized methodology involving a side-by-side, word-for-word comparison of the text of the existing document with the text of the proposed revision. Additionally, the policy will describe a process in which specific elements of the existing document will be individually presented to the membership for revision, instead of the previous process of presenting an entire new document for membership approval. This process will more laborious, time consuming, and require greater membership participation in the process, but it will produce higher quality governing documents for the corporation.

    - There was discussion of the sequence and presentations planned for the annual membership meeting scheduled for January 18th. The board realized during this discussion that some materials had been erroneously omitted from the original Notice of Annual Meeting mailings, and that there was still much work to be done prior to the meeting. The suggestion was made, and readily accepted, to reschedule the Annual General Membership meeting for a later time, perhaps late February, or early March to allow enough time to get all the necessary preliminary work done before the meeting.

8. **Executive Session**: Director Edwards moved, and Director Cole seconded a motion to exit open session to enter executive session to discuss actions to be taken against specific members who were habitually delinquent in their assessments. Motion passed unanimously. An additional motion was made by Director Edwards, and seconded by Director Cole to admit the board secretary and board treasurer, to the executive session since they are a party to the process and are bound to protect the privacy of the individual's involved. Motion passed unanimously.

9. **Return to Open Session**: Director Edwards made a motion, and Director Bendure seconded the motion to exit executive session and re-enter open session. The motion passed unanimously.

10. **Ad Hoc discussion of Mr. Jewett's presentation to the board during open session:**

An extensive discussion of Mr. Jewett's concerns ensued. Director Edwards spent considerable time reminding the board that ARTICLE VIII, Section 1 of the VASC bylaws stipulates that board members are directed to exercise their powers and perform their duties "in good faith, prudently, and in the best interest of the Association." He stated further that paragraph (a) of Section 1, was in fact subordinate to Section 1, and as such the board's responsibility under Section 1 have precedence over hasty implementation of the requirements of paragraph (a). He argued that board actions conducted in good faith, and prudently, in the best interest of the association require that the board exercise due diligence and not act hastily. In this case, due diligence requires that the board study Mr. Jewett's proposed AOR&R revision carefully before presenting it to the membership for consideration. The board's retraction of the proposal to revise the AOR&R at the July board meeting, and maintain the status quo for the time being, was appropriate and in the best interests of the association. There was general agreement that more study of Mr. Jewett's proposed AOR&R revision is required, and should be conducted methodically and thoroughly before further action is taken.

11. **The next board meeting** is scheduled to be held at 6:00 pm on February 11, 2025 at the home of Jim and Jeanette Vyduna.

12. **Adjournment**: The meeting was adjourned at 9:06 pm.

Addendum:

Record of Board Motions at the January 9, 2025 Meeting:

- A motion was made "To create an ad hoc committee called the Tax Strategy Task Force, to be chaired by John Conroy and populated by volunteers he selects. Said committee will conduct research and seek legal advice from qualified tax and non-profit experts, providing monthly reports to the board, which may be verbal or in writing. The committee will be funded initially with $5000.00 for legal and research fees." Director Cole moved, and Director Edwards seconded the motion. It was passed unanimously. (*In Process*)

- Director Edwards moved, and Director Cole seconded a motion to "Approve the proposed bylaw revisions for presentation to the membership for a first reading at the annual meeting, followed by a 30-day comment period, followed by a full membership vote on the website or US Postal Service for our members who prefer working in hard copy." The motion was approved unanimously. (In process)

Year to Date Board Motions:

- **July 15, 2024**: Maureen nominated Charles Elliston to fill the vacant At-Large Director position. Since the position was uncontested, the nomination was accepted unanimously. *Completed*.
- **July 15, 2024:** Maureen called for a motion to nominate Charles for the position of President. Tom nominated Charles and Buddy seconded the motion. The motion passed unanimously. *Completed.*
- **July 15, 2024:** Tom proposed a motion to increase the cap for Ron's work by $500.00 monthly. Which will be a total of 1500.00 per month for his continued support. Ed seconded the motion and it was approved unanimously. *Ongoing.*
- **July 15, 2024:** Tom proposed a motion, in light of Ron's move to Missouri, for an extra person to help with the Certificates of Deposit and Schwab account rollovers. Maureen volunteered to serve in that capacity going forward. Ed and Maureen will coordinate with Ron to manage the CD investments portfolio to make sure they are properly timed and accounted for. Maureen seconded the motion and it was approved unanimously. *Completed.*
- **July 15, 2024:** Buddy made a motion to retract the Board's proposed revision of the Airport Operating Rules and Regulations. Maureen seconded the motion and it passed unanimously. *Completed.*
- **August 19, 2024**: The board moved to require formal Adams County approval of a proposal by Adam Vaughn to partner with Rod Woodard to create a drainage system that would spill into the bar ditch on the east side of Fortune Court towards 160th Avenue prior to Architectural Committee approval of the plan. Further, the board directed that Mr. Vaughn should be notified of this decision in writing ASAP. *Completed.*
- **September 16, 2024**: Director Cole moved to authorize rental of a handicapped capable Porta-Potty unit for the VASC Annual Picnic/Fly-in. Director Edwards seconded the motion and it was passed unanimously. *Completed.*
- **September 16, 2024**: Director Bendure moved for the directors to take two weeks to present the three walking/biking path options suggested by Director Edwards to their constituents for comments or suggestion of improvements. If no significant improvement suggestions are received from the membership by October 1, 2024, Director Edwards will proceed to acquire updated engineering drawings of all three options from Western Engineering and seek contractors willing to make bids for all three options. Director Edwards will then forward the updated drawings to the members of the board via e-mail before the October meeting, at which the options will be further considered prior to presentation to the full membership for approval at a special meeting. Director Cole seconded

the motion, and it was passed unanimously. *<u>In process.</u>*

- **September 16, 2024**: Director Elliston called for adoption of the Approved Vendor Policy that was presented to the board at the August board meeting. Director Edwards moved to accept proposed policy as presented. Director Bendure seconded the motion, and it was passed unanimously. *<u>Completed</u>*.
- **September 16, 2024**: Director Cole moved to authorize the purchase of the Owl Meeting device for $1,099.00 from Mr. Jim Vyduna. The device will become the property of VASC. Director Goeritz seconded the motion, and it passed unanimously. For the foreseeable future the board president will maintain custody of the unit. *<u>Completed</u>*.
- **September 16, 2024:** Director Edwards moved, and Director Cole seconded the motion to approve an annual subscription with the HOA Start web-hosting service as requested by Director Elliston and Office Manager Stites. The motion passed unanimously. *<u>In progress. Note: HOA Start failed to meet our needs, so we are now developing a website using EasyHOA software. It is hoped the new website will be on line for introduction to the membership at the annual membership meeting on January 18th, 2025</u>*. *<u>In Process</u>*.
- **October 13, 2024:** Director Goeritz moved to formally appoint Jeanette Vyduna as the VASC Treasurer. Director Bendure seconded, and it passed unanimously. *<u>Completed.</u>*
- **October 13, 2024:** Director Bendure moved to authorize Director Goeritz to negotiate with Front Range Asphalt for procurement of a multi-year maintenance contract to include crack filling and seal coating using CDOT approved materials for runway preservation. Director Goeritz seconded the motion and it passed unanimously. Director Goertiz was further instructed to email the board with the results of the negotiations. *<u>In process.</u>*
- **December 5, 2024:** A motion was made and passed unanimously to accept the proposal by Prairie Dog Pros to perform the prairie dog poison application for an amount not to exceed $900. *<u>Completed.</u>*
- **December 5, 2024:** Director Edwards moved, and Director Cole seconded a motion to table a discussion of Director Goeritz' desire to rescind the two-proxy limit specified in the bylaws until the next board meeting. The motion passed unanimously. *<u>Discussion tabled.</u>*
- **December 5, 2024:** Director Edwards moved, and Director Bendure seconded a motion, to approve the proposed 2025 budget for presentation to the general membership at the Annual Meeting in January 2025. The motion passed unanimously. *<u>Awaiting approval at annual meeting.</u>*
- **December 5, 2024:** Director Cole moved, and Director Edwards seconded a motion to adopt the proposed Policy for adopting new rules and policies in

compliance with CCIOA requirements. The motion passed unanimously. *Completed.*

- **December 5, 2024:** Director Edwards moved, and Director Cole seconded a motion to adopt the proposed policy detailing how board members will resolve conflicts of interests in their board work, in compliance with CCIOA requirements. The motion passed unanimously. *Completed.*
- **December 5, 2024:** Director Bendure moved, and Director Edwards seconded a motion to adopt the proposed Dispute Resolution Policy in compliance with CCIOA requirements. The motion passed unanimously. *Completed.*
- **December 5, 2024:** Director Edwards moved, and Director Cole seconded a motion to adopt the proposed policy prescribing unit owners' right to inspect and copy corporate documents in compliance with CCIOA requirements. The motion passed unanimously. *Completed.*
- **December 5, 2024:** Director Edwards moved, and Director Cole seconded a motion to adopt the proposed amendment to the previously adopted Conduct of Meetings Policy to bring it in line with proposed amendments to the Bylaws. The motion passed unanimously. *Completed.*