The following is the agenda and notes from the FAHA documents subcommittee meeting on 9/21/2023. In attendance were Jeff Miller, John Tomlinson and Shasta Kelley.

1. Bylaws: We have 3 paragraphs still focused on a multi-member LLC. The move to a single-member LLC leaves these paragraphs out of harmony with this document and others. I have attached “2023-08-23 Bylaw Revisions to Reflect change to Single-Member LLC” for your aid in identifying the paragraphs; Bylaw introduction, 2.5.1, 2.5.2

Shasta will draft the changes needed.

1. Complete Association Agreement legal description appendix: We have an alternative title and escrow company referred to us by a FAHA member and Windermere Broker, CW Title and Escrow.

Shasta had difficulty with the company she was trying to work with. They did not understand the description of the work. Jeff will get contact details for the appropriate person at CW Title and Escrow for Shasta so she can work with them.

1. Review the LLC Operating Agreement:
2. Does the Operating Agreement need additional language about the conduct of business? It has nothing regarding voting for example.

Shasta said there is no need for additional language because the LLC is a single member. The board of managers will set their own operational parameters under the direction of the member, which is FAHA. The business conduct rules in the Association Agreement and Bylaws dictate how oversight is accomplished.

1. How does the Member, which is the HOA, sign a check as per “13.3 Company checks in excess of $10,000 shall be signed by both the Chairman of the Board of Managers and the Member.”? Could the same person serve the same role in both organizations? This seems inappropriate.

All of this is under the control of the sole member, FAHA. FAHA appoints the board of managers and grants authority to manage. For those situations requiring two signatures, one from the Board of Managers and one from the Member, FAHA simply needs to dictate that they are two different individuals.

1. Can we create the LLC without having the Initial Capital Contribution called for in 7(d)? We can still make a contribution, but not enough for the whole purchase.

The simple answer is yes. But, because the LLC is owned by FAHA as authorized by the Association Agreement, we should initiate signing the Association Agreement so that we have the real authority to proceed. This can be accomplished by completing the Association Agreement (adding legal descriptions) and having the current board of directors sign it.

1. Can we create the LLC under the current FAHA absent a fully signed Association Agreement. (It would be simple to start the signing process with Board members stepping up first).

Yes

1. Discuss starting the Association Agreement signing process (How and When).

This can happen as soon as we have the legal descriptions. See 2 above.

1. General discussion; are we comfortable with level of due diligence regarding liability and insurance? (This is a topic homeowners are focused on.)

Given the parameters of the settlement and community desires, we have done as well as is possible. The only other way to reduce our liability would be to have a 3rd party buy the airport. We would then be back to square one. We would have no way to ensure that Crest would remain an airport nor control how much we are charged for its use.

We discussed the three elements needed to protect the airport, our community and individual property owners. These include:

* **Organizational Structure**
An organizational structure that provides separation of airport operational and financial liabilities from the HOA and individual owners. This is accomplished by placing the airport ownership and operation under a limited liability company (LLC).
* **Adequate Insurance**The LLC and HOA each must be adequately insured to protect their respective assets. This would include all movement areas and any income generating areas of the airport, ie the fuel pumps and tanks.
* **Competent Management**The LLC, in particular, must have competent management that pays attention to the airport operation. This will mean prioritizing and addressing the long ignored maintenance of the airport infrastructure and paying attention to the day-to-day operations.