

PROPOSED DRAFT

October 13, 2026

Executive Council
Academy of Model Aeronautics (AMA)
5161 E. Memorial Dr.,
Muncie, IN 47302

Re: DEMAND TO TEMPORARILY CEASE AND DESIST SALE NEGOTIATIONS AND NOTICE OF FIDUCIARY BREACH

Dear Members of the Executive Council:

We write on behalf of a formally organized representative committee of more than 1,200 voting members of the Academy of Model Aeronautics (AMA). We demand the immediate temporary cessation of all actions, agreements, and negotiations regarding the sale or disposal of the International Aeromodeling Center (IAC) property in Muncie, Indiana pending communication with the AMA membership through the committee of members who signed the petition at AMADatacenter.com.

We are prepared to seek injunctive and other equitable relief, including, without limitation, a reconstitution of the Executive Council ("EC"), if necessary.

Illegal Disposal of Corporate Assets (Ind. Code § 23-17-20-2)

On information and belief, the EC entered into a purchase agreement for the sale of all or substantially all physical assets of the AMA, namely the IAC. The terms of the agreement have not been disclosed to the AMA's membership and counsel (from Ohio) was not present at the meeting during which the EC approved the agreement. It is unclear whether counsel reviewed the agreement or whether entering into such agreement has effectively blocked other bidders for the IAC. By entering into such an agreement with a single developer or datacenter, the AMA has yielded substantial control over any potential sale process and lost considerable negotiating leverage should a sale be in the best interests of the AMA and its members.

A substantial portion of the membership vehemently opposes the sale of this site, yet they have not been apprised of anything. Moreover, in the event of a sale, there are no articulated plans for the continued operation of the AMA. Without disclosure or a comprehensive post-sale plan, the membership cannot evaluate whether a sale makes any operational or financial sense. For example, what happens to day-to-day operations if employees sense instability and decide to find alternative employment? The AMA is incredibly dependent on the work of its staff. Disruption affects every member. By handing an option to a developer without a post-sale strategy, everyone involved loses control.

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From a statutory perspective, attempting a transaction of this magnitude without a membership vote is a direct violation of the Indiana Nonprofit Corporation Act. Under **Indiana Code § 23-17-20-2(a)**, a nonprofit corporation may only dispose of "all, or substantially all, of the corporation's property... other than in the usual and regular course of the corporation's activities" if the transaction is approved by the board *and* **"the members by a majority of the votes cast."** The IAC property constitutes substantially all of the AMA's physical assets. Any attempt to bypass a membership vote on this matter is an *ultra vires* act and legally void.

Lack of Transparency, Due Diligence, and Legal Standing

The membership believes that the EC's handling of this transaction represents a gross failure of its fiduciary duties:

- **An NDA with Itself.** On information and belief, the EC entered into a non-disclosure agreement with the AMA, itself. Although the NDA legally prevents an **individual** EC member from going rogue and talking to the membership, it does absolutely **nothing** to prevent the EC—acting as a collective governing body—from voting to release the information. The EC acts as the brain of the AMA. The EC has the absolute authority to vote to waive the NDA, declassify the transaction details, or officially release the terms to the voting members. Claiming "the NDA prevents us from talking" is a misrepresentation of corporate governance. The EC *is* the body that enforces the NDA. They are choosing to keep it confidential; they are not helpless prisoners of a contract they themselves control. Furthermore, an internal corporate NDA cannot supersede state law. As established earlier, under Indiana Code § 23-17-20-2, the AMA cannot dispose of substantially all of its assets without a majority vote of the members.
- **Forced Disclosure:** Despite commencing conversations with the third party in April 2026, the membership was only notified of a potential sale/option on October 9, 2026, in a message by Executive Director, Greg Stone ("Stone"), and only after information had leaked to the public. *See AMA EC Minutes.*
- **No Due Diligence or Fair Terms:** The Council conducted no due diligence and had no counsel present at the meeting during which they signed the one-way NDA. No terms or reasons for the sale have been provided to the membership.
- **Possible Solicitation Fraud:** On information and belief, despite being fully aware of the potential for a sale, in September 2026, Stone and others engaged in a campaign to solicit donations for the AMA museum, which would be part of any sale of the IAC property. The existence of a potential sale transaction were deliberately concealed from potential donors.

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- **No Replacement Plan:** There has been no plan formulated for where the AMA Headquarters, the Museum, and the Nats would relocate, nor any analysis on replacement costs. Simply asserting that a new site will be found in Muncie ignores several other, potentially better options (e.g. having multiple, smaller sites through out the nation).
- **No Pledge of a Member Vote:** Despite the statutory mandates of Ind. Code § 23-17-20-2, the Council has refused to pledge that this transaction will be put to the members for approval.
- **Revoked Corporate Status:** The D.C. business registry currently lists The Academy of Model Aeronautics, Inc. with an entity status of "Revoked" for failing to file its biennial report due April 1, 2026. Negotiating the sale of a headquarters while operating as a dissolved entity is an unacceptable breach of organizational care.
- **Bylaws?** On its website, the AMA offers as its bylaws a template of standard bylaws. It is unclear how long these have been published, but even the smallest clubs within the AMA umbrella know to publish actual documents vs standard templates. For all the members know, the template on the website might have been heavily modified.

Invalid and Illegal Votes

Any motion passed regarding this transaction may be legally void. Pursuant to the AMA's own bylaws, up to four members of the Executive Council have exceeded the term limits provided by the bylaws. Consequently, up to four EC members votes would have counted in the off-schedule meeting that authorized the purchase agreement. A transaction of this magnitude cannot be authorized by an illegitimately seated board.

Possible Misappropriation of Organizational Funds and Self-Dealing (Ind. Code § 23-17-13-1)

Under **Indiana Code § 23-17-13-1**, directors of a nonprofit are statutorily required to discharge their duties "in good faith" and in a manner they reasonably believe to be in the "best interests of the corporation."

On information and belief, the organization has been improperly paying the personal mobile phone and internet bills of EC members. Furthermore, the organization has been funding travel costs for EC members to attend events at which certain EC members have set up tables to sell merchandise on their own behalf. This blatant self-dealing offers zero benefit to the membership, constitutes an egregious misuse of member dues, and opens the participating directors to personal liability for breach of fiduciary duty. All of this is made worse by the fact that the organization is operating at a deficit.

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Spoliation of Evidence

Pursuant to well-established Indiana law, If a party knows, or reasonably should know, that certain evidence will be relevant to a future legal dispute, they have an affirmative duty to preserve it. See **Miller v. Federal Express Corporation**, 6 N.E.3d 1006, 1013 (Ind. Ct. App. 2014), the Indiana Court of Appeals explicitly stated: "Anyone who anticipates being a party to a lawsuit must not destroy unique, relevant evidence that might be useful to an adversary." The AMA and members of the EC are hereby placed on notice that they may not alter, delete or otherwise destroy or obfuscate any and all communications regarding the acts, facts or circumstances related to this matter. Any "lost" evidence will be deemed intentionally destroyed per Indiana law and legal consequences will follow.

Standing to Seek Injunction (Ind. Code § 23-17-4-4 & *Kirtley v. McClelland*)

Do not mistake this letter for a mere grievance. Under **Indiana Code § 23-17-4-4(b)**, "A corporation's power to act may be challenged in a proceeding against the corporation to enjoin an act... by a member or members in a derivative proceeding." Moreover, Indiana courts have firmly established that members of a nonprofit corporation possess equitable standing to bring derivative actions against a board of directors for breach of fiduciary duty (*Kirtley v. McClelland*, 562 N.E.2d 27, Ind. Ct. App. 1990).

Demands Given the *ultra vires* nature of the EC's actions, the illegal votes cast by term-limited members, and the widespread opposition, we hereby demand the following:

1. Immediate suspension of all negotiations and option agreements with the data center developer.
2. A formal commitment to require a majority vote of the general membership prior to the execution of any sale or option agreement regarding the Muncie property, as required by IC § 23-17-20-2.
3. The immediate cessation of all AMA-funded personal expenses and travel for EC members engaging in private merchandise sales.
4. Full disclosure of all proposed terms and the immediate reinstatement of the AMA's corporate standing.
5. A dissolution and re-constitution of the EC.

If the Executive Council fails to halt this unauthorized transaction and address these demands, we are prepared to file a derivative action on behalf of the AMA membership to seek an immediate injunction, void the option agreement, and hold individual council members accountable for fiduciary breaches.

Sincerely,
David Lindley, Chairman
AMA Member Committee