



**Breezy Point Airport, Inc.
Letter to Shareholders
February 2024**

DEAR SHAREHOLDERS:

As we begin the new year, I thought I'd take the opportunity to give you an update on what the Board has been doing and what it has planned for 2024.

EAST SIDE DEVELOPMENT

The Board continues to work through the myriad of details required to keep the project moving forward. In my previous correspondence I pointed out the most relevant detail is deciding on a legal structure as this has the most direct impact on development activities. The Board engaged legal counsel with specific knowledge in Minnesota real estate law and, based on legal advice, the Board has chosen a direction.

The Board decided the best legal structure for BPA is a Planned Unit Development or PUD. PUDs are very common in commercial real estate. Think of an industrial park. Individual companies can own their building, but are surrounded by and share common elements like access roads, parking lots, and open spaces. Common elements are governed by a set of regulations set forth in the initial planning and enforced by an association.

A PUD has several benefits for BPA.

- A PUD is far simpler to incorporate into the existing shareholder ownership structure.
- A new association need not be created. BPA's existing governance structure can be retained with updates to BPA's existing bylaws.
- BPA can retain ownership of all common areas.
- BPA can require hangar owners to be shareholders.
- City of Breezy Point is familiar with PUDs and have established standards. BPA would not be introducing any new development concepts to the city.

Now that the Board has settled on the legal structure, we are now moving on to the next step; developing a plan to get the work done.

First and foremost, the Board wants to minimize the risk to BPA. With this in mind, the Board strongly believes we need a third-party developer to manage the project. The rationale for this

approach is, a) the Board does not have the time or expertise to manage such a project, b) there is a significant amount of infrastructure required and the Board does not believe BPA should take the financial risk to do the improvements, and c) the Board does not want BPA to speculate on hangar construction.

To this end, The Board is reaching out to established development companies in the Brainard area to gauge interest in forming a development partnership with BPA. In this partnership, BPA will provide the preliminary site layout, design standards, access agreements, restrictive covenants, and governing regulations. The developer would put in the necessary site improvements and have exclusive building rights. The Board believes the best possible outcome is having BPA in control of the layout and design and the development partner in control of the actual physical development.

The Board is in the very preliminary stages of this effort. **No partnership agreements have been entered into at this time.** However, if we do find an interested developer, the Board would like to move quickly on the opportunity. The Board will keep the Shareholders up-to-date on any significant developments and will be sure to gain Shareholder approval before any partnerships are finalized.

AIRPORT MAINTENANCE ITEMS

In the fall, the aviation division of MNDOT did an airport survey at the Board's request. The survey was not a legal requirement for operation, but more of safety review of the airport and approach paths. Two findings are worth noting. First, a few tree obstacles were noted on both the north and south approaches. Second, the runway surface was deemed "fair" and it was noted the runway markings were not standard.

The Board has been working with the City of Breezy Point to trim or remove trees in the cemetery on the north side and Breezy Point Resort to remove trees on the south side. The work should be completed by spring. The Airport is sharing the cost with the city for the tree work in the cemetery.

With regards to the runway surface the Board had the runway analyzed and the recommendation was to seal coat the entire length. The underlying surface is still in good condition and sealcoating the runway will give it many more years of use. The Board has authorized an expenditure to seal coat and repaint the runway. We are currently soliciting bids, and the Board is looking to have the work done this spring. No final dates have been set and no word on how long the project will take or how long the runway will be closed. You'll receive updates as plans are finalized.

ANNUAL DUES

As previously communicated annual due are now being collected in February. Dues for 2024 are \$1,250 per share. Like last year, you will have the option to pay electronically. I encourage you

to use this option as it's safe, easy and quick. Of course, you may also pay with a paper check using the address in the invoice email.

AIRPORT DAYS

Planning for Airport Days 2024 is now underway. Like years past, the event will be held on the first Saturday in May, which is May 4 this year. Hopefully the weather this year will be better than 2023. While we did get a decent turnout of people and cars in 2023, the low clouds kept all the planes away.

We continue to get good support from the city and the community. If you'd like to volunteer, please let the Board know and we'll connect you to the right person.

For the pilots among us, please spread the word. The more planes the merrier. Please make sure to tell your flying friends to review the landing procedures and videos on www.breezypointairport.com.

TALK TO THE BOARD

The Board would like to hear from you! The Board has regular meetings every month, usually on the first Thursday of the month. If you have any questions, concerns, questions or would like to voice your opinion on airport matters, please reach out to me. Please send me your questions/thoughts and when you'd like to talk to the Board; I'd be happy to schedule a 10-minute Q&A session with the Board.

IN CONCLUSION

The Board appreciates your continued support. Let us know what we can do to continue to make Breezy Point Airport a safe and attractive aviation destination.

Best Regards,

Andrew Kavie

Andrew Kavie, BPA President and Secretary
& The BPA Board of Directors