

SERVANT AIR MINISTRIES, INC.

MINUTES BOARD OF DIRECTORS MEETING JUNE 25, 2007

PRESENT: Dr. Robert Lehton, Mr. Dick Todd, Mr. Skip Williams (via teleconference), Mr. Ryan Roberts, Mr. Steve Miller, Mr. Fred Pino, Mr. Kyle Dixon, Mr. Bill Oyler, and newly elected member Mr. Dick Blondin.

MEMBERS ABSENT: Mr. Neil Spurlock.

CALL TO ORDER: Dr. Lehton called the meeting to order at 7:00 p.m. at the Cocoa Beach office of Servant Air Ministries, Inc. and the meeting concluded at 8:25 p.m.

READING OF THE MINUTES: The minutes were approved with a motion by Mr. Steve Miller and a second by Mr. Bill Oyler, and a confirmative consensus by the Board of Directors. No additions or corrections were noted in the minutes.

TREASURY REPORT:

The Treasurer's report was read by Mr. Skip Williams, Treasurer, and was accepted by the Board. An independent financial audit was accomplished for the year of 2006, and found to be satisfactory. Quicken was utilized for the year or 2006, and greatly enhanced the Treasurer's ability to organize debits and credits. The financial report was motioned to be accepted by Mr. Dick Todd and a second by Mr. Bill Oyler, with the Board affirming the consensus.

NOMINATING COMMITTEE:

The Board presented a slate of officers for the upcoming year. Dr. Robert Lehton was presented as President, Mr. Dick Todd was nominated as Vice President, Mr. Ryan Roberts was nominated as Board Secretary, and Mr. Skip Williams was nominated as Treasurer. A motion was presented by Mr. Steve Miller to accept the Board as presented by the Nominating Committee, with a second by Mr. Bill Oyler. Additionally, Mr. Dick Todd made a motion to accept Mr. Dick Blondin to the Board and a second from Mr. Fred Pino, with the board affirming the consensus.

FUND RAISING COMMITTEE:

The Fund Raising Committee did not meet formally this year, but Dr. Bob Lehton secured donations from the First Baptist Church and Cocoa Beach Ministerial Association. Speaking engagements to clubs and groups such as ministerial associations and other missionary funding vehicles will be given to various Board members throughout the year as such fund raising activity arises. Fund raising by way of grant applications from Walmart, Target, Walgreens and Eckerd's was discussed. Donations will also be accepted using the website.

EXECUTIVE COMMITTEE:

The Executive Committee did not meet this past year because no action items were needed. No polls were conducted by phone or in person.

PRESIDENT'S REPORT for 2006:

Again 2006 proved to be a very productive year for flight training, fellowship, prayer, and air transportation services. The price of fuel came down approximately 10% from it doubling the year before. This has still provided somewhat of a restraint on missionary flying because of the cost of gas. This year we flew more hours than last year totaling 379.5 hours utilizing our three aircraft. This being the thirteenth year of the organization's existence, SAMI continues to maintain its mission statement of providing quality flight training, chapel services on the field, and missionary flight services. 2007 will be exciting because we hope to build a 80x80 hanger on the field which would provide chapel services, recognition of the ministry and shelter for all three aircrafts.

A slate of officers was presented for the upcoming 2006-2007 year. The following officers agreed to serve and were elected: Dr. Robert E. Lehton was elected again as President, Mr. Steve Miller as Vice President, Mr. Ryan Roberts as Board Secretary, and Mr. Skip Williams as Treasurer. A further motion was made to keep the existing nine members of the Board and a nomination was received regarding Mr. Dick Todd to join the Board. The Board unanimously elected all general members and Mr. Todd.

Financially, there are no major expenditures in the year 2006, and Servant Air Ministries, Inc. maintained a stable positive cash flow. Three flight instructors: Patty Carter, Dick Todd and Dr. Lehton, were primary instructors for Servant Air Ministries, Inc. Mr. Dick Blondin, Scott Langston and Ryan Alexander received their private pilot's licenses this year. They are to be congratulated, and Mr. Blondin and Mr. Alexander are continuing their training for instrument rating.

A Cessna 172 is used for primary flight training, whereas the Aztec and Saratoga are primarily used for flights to the Bahamas, Central America and throughout the Southeast part of the United States providing Mercy flights.

Our Cessna 172 was used for flight training and missions, and flew 224.9 hours this year, almost doubling the utilization of 2005. From all three instructors, flight instruction consisted of 75 hours of flight time and 105 hours of ground school. Mr. Dick Todd, our flight instructor and chief mechanic, donated 18 hours in maintaining all three airplanes in good and usable shape. Mr. Steve Miller has assisted him in being somewhat of an apprentice for an A&P license.

This past year all three airplanes had been used for missionary flights, primarily utilizing the Aztec and Saratoga. Mr. Dick Blondin and Ryan Alexander flew the first "pony express" mission flight from Daytona Beach to Sanford, N.C. Both of these men were excited and thrilled by this opportunity to use their recent license to help out in the area of mercy flights. Ryan Roberts, our Secretary, continued to provide outreach to the Cat Island in the Bahamas this year with 24 individuals of the Ft. Pierce Alliance Church involved with summer outreach. The 24 missionaries to Cat Island utilized the service of a DC3 from Missionary Flight International. This year Mr. Dick Todd and Dr. Lehton flew Faith Temple to Grand Island Bahamas, for the annual convention and missionary work surrounding Walker's Key.

Mr. Dick Todd and Mr. Steve Miller had forged a new alliance with Youth Foundation, which is a large youth ministry on Merritt Island. They were able this Fall to provide air transportation to Governor's Harbor, Eluthra, and Youth Foundation has plans of using Servant Air Ministries, Inc. to take numerous missionaries back and forth between sites in Eluthra and Merritt Island. The fly-by on Easter morning this year was exciting, because all airplanes were full of participants and we were able to use our PA23 and PA32 with a new under-wing lettering of "Jesus is Risen" and "Jesus Saves". Spectators on the beach made numerous comments about how much they appreciated Servant Air in providing this Easter morning fly-by for all the churches.

In the Fall of 2006, Servant Air hosted the annual convention for Pilots for Christ, International. This was held at the Hilton ocean front on Cocoa Beach and the participants not only heard from wonderful speakers, but were presented a demonstration of "aero evangelism". This involves again using our three aircraft to be a light to the world by lettering of "Jesus is Risen", "Jesus Saves" and "Jesus Lives". It was an exciting moment for the participants to see how evangelism works. A number of Chapters have asked for prices and how to go about securing lettering for their aircraft.

This year our aircraft flew, as stated earlier, 379.5 hours with 224.9 in our Cessna 172, 70.4 in our Saratoga PA32, and 84.2 in our Aztec PA23. This year was exceptionally enjoyable because hurricanes ceased to plague Florida over 2006 and allowed much more missionary activities because of lack of weather conditions.

In February, 2006, Servant Air and Torah Class sponsored its Second Annual Tour to Israel. The group this year consisted of 40 pilgrims traveling from the United States for a two week tour of Israel. February 2007 will be a 3rd Tour of Israel, with 36 pilgrims already signed up by December.

Mr. Dick Blondin, Tom Liston and Ryan Roberts replaced our informational video with a new website video which reflects brilliant quality and contrast on our web site.

Servant Air Ministries, Inc. continues to support the Experimental Aircraft Association Young Eagles program. Mr. Dick Blondin, Mr. Dick Todd and Dr. Lehton flew over 65 children for the Young Eagles program at Merritt Island airport. Likewise, Servant Air Ministries expanded its morning breakfasts across the state, providing a booth and video in locations where airports are conducting breakfasts on the field.

To conclude, this is a short summary of the services that Servant Air Ministries has provided in the area of Angel flights, missionary trips and flight training, but there are many other volunteers and members who are not mentioned in this report that made flights in Servant Air airplanes and their own personal aircraft. I believe 2007 is going to be the most exciting year for Servant Air Ministries, Inc., because of our commitment to build a permanent chapel and hanger on the field in Merritt Island. Anyone reading this annual report is encouraged to give financially to Servant Air Ministries this year to bring about such a huge endeavor. I believe having a chapel on the field with our name on the building will be a light to the aviation world to represent our Lord and Savior, Jesus Christ.

I sincerely thank all the Board members, pilots, volunteers and supporters of Servant Air Ministries for another wonderful year in 2006 and expect the Lord to even produce greater faith adventures in the future.

OLD BUSINESS:

Dr. Lehton reported that Gary Runyon, CPA, has audited the organization, as well as filed the 990 form for non-profit exemption. The use of the Quicken software program in 2006 provided detailed income and expenses. This allowed for a quick and easy audit.

The Pilot's for Christ 2006 annual convention held in Cocoa Beach, Florida was a success. Various chapters commented that it was one of the best conventions to date, and has set the standard for future conventions to come. Dr. Bob Lehton extended his thanks and congratulations to those of Servant Air Ministries Inc. who help to make that event happen.

Dr. Lehton commended Mr. Dick Todd and Mr. Dick Blondin in their involvement with the Experimental Aircraft Association working with Young Eagles. Servant Air Ministries has provided Young Eagles flights for Brevard County, which has increased awareness

for missionary flying, and provided a service to the youngsters in the area to promote aviation.

The Executive Director position has not yet been filled, and is currently placed on hold until after the hanger is built. This is a result of funds not being available for a base salary for the position. The position is still open, but Servant Air Ministries Inc. is not actively pursuing anybody for the Executive Director position at this time.

NEW BUSINESS:

Dr. Lehton and Mr. Dick Todd spent considerable time presenting the potential of having a Servant Air Ministries Inc. hanger on the Merritt Island airport. The hanger would be 80 feet square, and have the ability to house all three Servant Air Ministries Inc. aircraft, have space available for maintenance, as well as a chapel. In May 2007, Mr. Dick Todd made a presentation to the TICO board with an overwhelming 80% in favor vote to continue to pursue a lease for the available land on the airport. When a follow-up presentation was given in June 2007, the entire TICO board gave the go-ahead for Servant Air Ministries Inc. to obtain a lease on the land, and built the proposed hanger.

This new hanger would allow Servant Air Ministries Inc. to reduce their monthly expenses for aircraft hangers, as well as provide a visible presence on the Merritt Island airport. Future meetings with the TICO board look promising to ensure viable lease terms for both parties.

Mr. Dick Todd presented a motion, with a second by Mr. Skip Williams to proceed with building the hanger based on the lease approval by the TICO board. This motion is valid as long as the lease is less than 21 cents per square foot. Mr. Dick Todd will also clarify the lease wording for usage of the hanger with regard to sub-leasing and meetings in the hanger. Discussion also ensued regarding the wind specifications and rating for the new hanger. Current specifications for the preliminary design rate the structure capable of withstanding 125 mph winds. Mr. Dick Todd stated he would make sure the final structure was sound and would last for the duration of the land lease, and beyond.

Various funding methods for the new hanger will be investigated. Paying cash, taking out a loan and investing the currently available funds, as well as other payment options will be taken into consideration to determine the best course of action.

The Annual Pilot's for Christ convention will be held August 10th - 12th, 2007 in Kansas City, Kansas. Various transportation methods are being investigated to determine the most cost efficient way of traveling to the convention.

ADJOURNMENT: Mr. Steve Miller made a motion to adjourn, with a second by Kyle Dixon. The meeting concluded at 8:25 p.m., with a prayer by Dr. Lehton.

Respectfully Submitted,

Ryan Roberts
Secretary

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