

Order 252-14/15

Passage: 9-0 on 5/4/2015

MICHAEL F. BRENNAN (MAYOR)  
KEVIN J. DONOGHUE (1)  
DAVID A. MARSHALL (2)  
EDWARD J. SUSLOVIC (3)  
JUSTIN COSTA (4)

**CITY OF PORTLAND  
IN THE CITY COUNCIL**

Effective 5/14/2015

DAVID H. BRENERMAN (5)  
JILL C. DUSON (A/L)  
JON HINCK (A/L)  
NICHOLAS M. MAVODONES, JR (A/L)

**ORDER APPROVING THE GROUND LEASE TO HANGAR GROUP LLC FOR  
A FIXED BASE OPERATION  
AT PORTLAND INTERNATIONAL JETPORT**

**ORDERED**, that the 20-year Hangar Group LLC Lease Agreement with one 20-year option to renew for a Fixed Base Operation is hereby approved, in substantially the form attached hereto; and

**BE IT FURTHER ORDERED**, that the City Council hereby authorizes the Acting City Manager to execute said document and any other related documents necessary or convenient to carry out the intent of said document.

## **GROUND LEASE AGREEMENT**

**THIS LEASE AGREEMENT** made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2015, by and between the **CITY OF PORTLAND**, a municipal corporation, existing under and by virtue of the laws of the State of Maine, hereinafter called "**CITY**", and **HANGAR GROUP, LLC**, a Maine limited liability company located at 1025 Westbrook Street, Portland, Maine, hereinafter called "**TENANT**" (**CITY** and/or **TENANT** also referred to herein singly or collectively as, "Party" or "Parties").

### **W- I- T- N- E- S- S- E- T- H:**

**WHEREAS**, **CITY** issued a Request for Proposals dated January 6, 2015, RFP 4815, Construct & Operate A Fixed Base Operation (FBO) Terminal and Provide General Aviation Fixed Base Operations at the Portland International Jetport (hereinafter "Airport"); and

**WHEREAS**, **TENANT** submitted its proposal dated FEBRUARY 12, 2015; and

**WHEREAS**, **CITY** wishes to enter into a Ground Lease Agreement with **TENANT** to permit construction and maintenance of a fixed base operator (FBO) on the south side of the Airport, located on Airport property within the City of South Portland; and

**WHEREAS**, pursuant to a May 12, 2000 Assignment and Assumption of Lease between **TENANT** and Colonial Companies, Inc. ("Colonial"), Colonial assigned to **TENANT** all of Colonial's right, title, and interest as tenant to a December 8, 1994 lease between Colonial and **CITY** for certain premises at the Jetport (the "Colonial Lease"); and

**WHEREAS**, during the term of this Lease, **TENANT** and its affiliates intend to continue to operate a commercial aeronautical business on the premises that are covered by the Colonial Lease.

**NOW, THEREFORE** in consideration of the mutual covenants and considerations herein contained, **CITY** and **TENANT** hereby agree as follows:

### **ARTICLE 1 - LEASED PREMISES**

#### **1.1 LEASED PREMISES**

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1.1.1 In consideration of the rent hereinafter to be paid by **TENANT**, and other consideration, and the covenants and agreements hereinafter contained, to be kept and performed by **TENANT**, **CITY** does hereby demise, lease and let unto **TENANT**, the property located at the Airport, and more particularly described below, to have and to hold unto said **TENANT** on the terms and conditions in this Lease.

1.1.2 The term "Leased Premises" or "Premises" as used in this Lease Agreement, shall mean and include real estate located at Portland International Jetport in the City of South Portland, Cumberland County, State of Maine, on Aviation Boulevard at the northerly end of Westbrook Street (from Western Avenue in South Portland) and adjacent to the Airport and Long Creek Youth Center and consisting of approximately 138,036 square feet (Hangar Pad C 35,811 square feet and parking, circulation, landscaping 102,225 square feet), as shown and described in Exhibit A attached hereto and incorporated herein, including the rights of ingress thereto and egress therefrom and the right to install, use and maintain utilities, subject to any utility or other easements of record.

### 1.2 "AS IS" CONDITION.

**TENANT** takes the Premises in "as is" condition. Other than **CITY** ownership thereof, **CITY** makes no representation or warranty as to the physical condition of the Premises nor as to any other matter concerning the Premises, including but not limited to the presence of any environmental hazards thereon. Without limiting the foregoing, the **CITY** represents that, as of the execution date of this Lease, it has not received notice of any such hazards. All **TENANT** improvements, additions and alterations at or to the Premises will be at **TENANT**'s sole cost and expense and **CITY** shall have no responsibility therefor.

## ARTICLE 2 – CONSTRUCTION OF FBO FACILITY

### 2.1 TENANT OBLIGATIONS

2.1.1 **TENANT** shall, at its own cost and expense, construct, operate and maintain a general aviation facility and fixed base operation (the "Project") on the Premises, as requested by **CITY**'s RFP 4815 and **TENANT**'s response dated FEBRUARY 12, 2015, copies of which are on file in the **CITY**'s Airport Director's Office and are incorporated herein as Exhibit B. To the extent reasonable, the Exhibits shall be read to be supplemental to this document, but in the event of conflict between the terms of this document and the Exhibits, this document shall control.

2.1.2 The minimum capital investment for this Project shall be Four Million Dollars (\$4,000,000). Prior to construction, the proposed design and materials, including but not limited to landscaping, to be used for such construction shall be subject to the review and approval of the Airport Director, which approval shall not be unreasonably withheld or delayed. The Airport Director's review shall include review for compatibility with existing airport design and

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materials and for compliance with the Airport Master Plan then in effect. In addition, prior to construction, **TENANT** shall provide proof of financial ability to complete the project which proof shall be satisfactory to the Airport Director, after consultation with the **CITY**'s Finance Director. The Airport Director's approval hereunder shall not be unreasonably withheld or delayed.

2.1.3 **TENANT** shall pay for and obtain all required Federal, State, County, City of South Portland and **CITY** permits or approvals prior to such construction, including but not limited to any required Planning Board approval, and Federal Aviation Agency (hereinafter the "FAA") approvals, including filing of FAA Form 7460-1, Notice of Proposed Construction or Alteration, or applicable successor form. In addition to complying with any applicable **CITY** ordinance, all exterior signage to be placed or erected on the Premises shall be subject to the prior written approval of the Airport Director. In the event any substantive change is made in the proposed design and materials to be used after all other applicable review, such changes shall be submitted to the Airport Director for final review and approval, which approval shall not be unreasonably withheld or delayed. **TENANT** shall arrange and attend a pre-construction meeting, including all site and construction contractors and subcontractors and representatives of the Airport, prior to beginning site work. This meeting shall include, but not be limited to, a review of **TENANT**'s security plan during such site and construction work. **TENANT** shall ensure that a "badged" person acceptable to the Airport shall monitor all entry and exit to and from the site during such site work and construction.

2.1.4 In the event **TENANT** is unable to obtain any required federal, state or local approvals and permits necessary for construction of its Project and to begin construction no later than Twelve (12) months from the date of execution of this Lease, each party reserves the right to terminate this Lease upon no less than thirty (30) days prior written notice, with no further obligations of either party hereunder. Upon obtaining all federal, state and local approvals and permits required for construction of the facility, **TENANT** shall promptly commence and diligently complete such construction, subject to any agreed upon phasing of construction of portions of the Project.

2.1.5 Except as provided above, **TENANT** shall not erect any structures, make any improvements, nor do any construction work on the Premises, without the prior written approval of the Airport Director, whose approval shall not be unreasonably withheld or delayed. Alterations, modifications, additions to or replacements of any structure constructed on the Premises which are in excess of the amounts provided in Section 5.2.4 below are subject to the prior written approval of the Airport Director, which approval shall not be unreasonably withheld or delayed. The requirement for the Airport Director's prior approval shall not apply to any improvements, repairs or replacements which are immediately necessary because of an emergency caused by no fault of **TENANT**, but **TENANT** shall inform the Airport Director of such emergency work as soon as reasonably practicable.

2.1.6 Performance and Payment Bonds; Letters of Credit; Insurance. Prior to the

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commencement of any construction under this Agreement, **TENANT** shall provide **CITY** with evidence of a performance and payment bond from its contractor(s) in the full amount of the final construction contracts, naming the **TENANT** obligee on such bonds and **TENANT** shall provide **CITY** with one or more letters of credit in a form satisfactory to the **CITY** in the full amount of the final construction contracts. In addition, **TENANT** shall provide evidence of commercial general liability insurance coverage in the minimum amount of Two Million Dollars (\$2,000,000) from the general contractor, and naming the **CITY** as an additional insured thereon, as well as automobile and workers compensation insurance.

## 2.2 USES

2.2.1 Permitted Uses. **TENANT**, as a full service fixed base operator at the Airport, is required to continuously provide the following services during the term of this Agreement, unless otherwise agreed in writing by the **CITY**:

- (i) Aircraft/airline fueling, de-icing and servicing (e.g. cleaning);
- (ii) Aircraft maintenance and servicing, by a licensed aircraft mechanic (Aircraft and Power) on staff and/or on-call;
- (iii) Aircraft tiedowns
- (iv) Aircraft hangar storage;
- (v) Pilots lounge, with sanitary facilities;
- (vi) Charter, directly, through contract or through referral service;
- (vii) Automobile parking; and
- (viii) **TENANT** business office.

Failure to provide the foregoing services on a reasonable basis for thirty (30) consecutive calendar days shall be, at the option of the **CITY**, a breach of this Agreement, subject to termination pursuant to Article 11 below. Notwithstanding the foregoing, de-icing services shall be subject to all applicable federal and state environmental regulations and airport regulations, and shall be performed only in designated areas off-Premises, and in such manner as is permitted by such regulations.

2.2.2 In addition to the foregoing, **TENANT** shall have the right, but is not required, to use the Premises for the following purposes, and purposes incident thereto:

- (i) Ground handling, including freight handling;
- (ii) Airline maintenance;
- (iii) Sales of aircraft (including aircraft leasing) and aircraft parts;
- (iv) Avionics sales;
- (v) Flight school;
- (vi) GSE equipment servicing; and
- (vii) Major and minor overhaul and repair of aircraft and associated accessories.

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No air meets shall be conducted at said Airport unless prior approval shall have been obtained in writing from the Airport Director and the Federal Aviation Administration.

2.2.3 In addition to the foregoing, **TENANT** shall manage, on a non-exclusive, non-discriminatory public basis, the aircraft ramp constructed by **CITY** and located adjacent to the Premises, and identified on Exhibit A (hereinafter the "Ramp"). **TENANT** shall have the right to rent aircraft tiedowns for general aviation use at fair market rentals. For purposes of this Agreement, the term "aircraft tiedown" shall refer to a generally accepted method of securing small aircraft to pavement. **TENANT** shall manage the use and condition of the aircraft tiedowns in such a manner that such use and condition will not interfere with nor endanger the general operations at the Airport. **TENANT** shall be entitled to the reasonable service or use fees to be paid by users of the aircraft tiedowns, subject to **CITY**'s percentage rentals contained in this Agreement. Upon request, **TENANT** shall provide **CITY** with the names, addresses and other reasonably available information regarding renters/users of the tiedowns hereunder.

2.2.4. **TENANT** is entitled to use the areas designated for "parking" on Exhibit A for parking of customer and employee motor vehicles.

2.2.5. No use of the Premises shall be permitted hereunder without the specific written consent of the Airport Director except those specifically required or permitted herein.

2.2.6 Upon thirty (30) days prior written notice to **CITY**, **TENANT** may request permission for an expansion or change in use on the Premises, which permission shall not be unreasonably withheld by Airport Director. **TENANT** covenants that it shall not use nor permit the use of the Premises for any purpose other than those provided in Section 2.2.1 - 2.2.4 above without the prior written approval of the Airport Director.

2.2.7 Prohibited Uses: **TENANT** shall not use the Premises for the conduct of any non-aeronautical business, for residential use, or for non-aeronautical storage or non-aeronautical activities.

2.2.8 **TENANT** shall not store fuel upon the Premises except to the extent permitted by applicable City Code(s) and applicable state or other law or regulation, and shall not block a taxiway nor park any aircraft in such a location as to interfere with Airport operations, nor permit any other person to do so. No damaged aircraft shall be parked on the Ramp nor at the aircraft tiedowns at any time without the prior approval of the Airport Director, which approval may be granted for such storage up to a maximum of sixty (60) days. In the event of such approval, **TENANT** shall cover such damaged aircraft within twenty-four (24) hours of a request to do so by the Airport Director, such cover to be in a manner as is reasonably approved by the Airport Director. Aircraft ramp and service equipment shall not be stored on the Premises, except in a manner and in such designated locations as the Airport Director may reasonably authorize in writing in advance. All aircraft and equipment repairs except minor repairs shall be performed inside a structure and not on the aircraft apron. All such minor repair shall be subject to the

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approval of the Airport Director, which approval shall not be unreasonably withheld. **TENANT** covenants that it shall not do any, and shall not permit anyone to do, any engine run-ups on the Premises. Off-Premises run ups at sites approved by the Airport Director between the hours of 7:00 a.m. and 10:00 p.m. must be coordinated in advance with the Airport's Communications Center.

2.2.9 All activities hereunder must be conducted pursuant to the Airport Minimum Standards and Rules and Regulations and policies in effect on the date of execution of this Agreement and as may be later amended or revised, and all applicable federal, state and local laws and regulations. Prior to undertaking any activities hereunder, **TENANT** shall obtain, at **TENANT**'s own cost and expense, all approvals and permits required under the Airport Minimum Standards, as well as any other required federal, state or local approvals and permits.

2.2.10 Fuel Trucks. **TENANT** shall have the right to use the airfield perimeter road as shown on Exhibit A to provide access by fuel trucks, de-icing vehicles and other vehicles used in connection with this Lease, from the Premises to the terminal ramp. Such use by fuel trucks shall be permitted so long as such use of the road by the fuel trucks is permitted under state and federal law and regulations.

### ARTICLE 3 - TERM

#### 3.1 INITIAL TERM

The Initial Term of this Lease commences upon the date of execution of this Lease Agreement, and ends at 11:59 p.m. on the date which is twenty (20) years after the Rent Commencement Date, hereafter defined (the "Termination Date"). The Termination Date of the Initial Term shall be no later than February 28, 2036.

#### 3.2. RENEWAL TERM

**TENANT** shall have the option to renew this Lease for an additional Twenty (20) years so long as **TENANT** has been and is continuing in full compliance with all of the terms and conditions herein, and subject to renegotiation of the rent as provided in Article 4 below. **TENANT** shall provide **CITY** with no less than One Hundred and Eighty (180) days notice of its intent to renew prior to expiration of the initial term of this Lease. **CITY** shall renew the Lease pursuant to Section 4.3 below and subject to the continuing compliance by **TENANT** with all the terms and conditions herein. Such renewal shall be in writing signed by both parties.

#### 3.3 HOLDING OVER

3.3.1 In the event **TENANT** shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without **CITY**'s written renewal thereof, such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy at sufferance which may be terminated at any time by **CITY** or **TENANT** by giving thirty (30) days' written notice

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to the other party. Any such tenancy at sufferance shall otherwise be on all of the terms and conditions of this Lease Agreement, except that the monthly Rent shall be one and one-half times the amount due on the first day of the last month of the term of the Lease.

## **ARTICLE 4 - RENTALS, FEES AND RECORDS**

### **4.1 FIXED RENT**

4.1.1 Fixed rent per square foot. For the rights and privileges granted herein, **TENANT** shall pay a fixed annual rental of \$0.25 per square foot for the Leased Premises, excluding the Ramp and the road. Ground rent shall be payable in equal monthly installments. The initial monthly rental shall be Two Thousand Eight Hundred Seventy-Five Dollars and Seventy-Five Cents (\$2,875.75) per month.

4.1.2 Monthly rent for Aircraft Tiedowns. During the term hereof, **TENANT** shall pay to **CITY** a fixed monthly rental of Ten Dollars and Nine Cents (\$10.09) for each tiedown on the Ramp.

4.1.3 Rent Commencement Date. The fixed rent in 4.1.1 and 4.1.2 shall be due and payable commencing the first day of the month following the month in which **TENANT** obtains the certificate of occupancy for all building structures and upon completion of any and/or all aircraft apron areas comprising the Project, or on March 1, 2016, whichever is earlier in time (“Rent Commencement Date”), and continuing on the first day of each subsequent month during the initial term and any renewal term of this Lease.

4.1.4 Rent increases. Beginning on the first July 1 following the Rent Commencement Date, and annually thereafter during the Initial Term, the fixed rent in Section 4.1.1 and 4.1.2 will be adjusted, based on the increase in the prior 12 months' Consumer Price Index of the U.S. Department of Labor, All Urban Consumers, all items (1982-84 = 100) for the U.S. City Average, or comparable successor index for the immediately prior twelve months.

### **4.2 PERCENTAGE RENT**

4.2.1 In addition to the foregoing monthly rent, **TENANT** shall pay to **CITY** two percent (2%) of all gross receipts actually received by **TENANT**, by the entities listed on Exhibit C, by any member or shareholder of **TENANT** or of the entities listed on Exhibit C, and by any of **TENANT**'s subtenants or sub-subtenants, from all of their operations on the entire Premises and from all of their operations on the premises covered by the Colonial Lease; provided, however, that the following shall not be subject to the percentage rental hereunder: 1) aircraft sales and leasing; 2) sales of aircraft parts and accessories; 3) charter flight sales; 4) fixed rent collected from the subtenants and sub-subtenants approved by the **CITY**, up to the amount due to **CITY** under Section 4.1 above; 5) any rent payable to **TENANT** from an entity wholly owned by **TENANT**, or by any entity listed on Exhibit C (Tenant and the entities listed on Exhibit C may be referred to herein individually as a “Tenant Party” or collectively as “Tenant Parties”); 6)

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aircraft maintenance performed by a Tenant Party on aircraft owned or dry leased by a Tenant Party; and 7) the 2% payment itself, whether paid by **TENANT** or a Tenant Party, or by an approved subtenant.

4.2.2 "Gross receipts" shall mean and include all gross revenues received by any person and arising out of or resulting from any operations or activities from, at or on the Premises, but shall not include the amount of any tax on sales whether designated a sales tax or not and imposed by any federal, state or local governmental authority, either now or in the future. Said operations and activities shall be performed and/or charged in accordance with normal and customary industry rates. To the extent that any question arises as to whether the normal and customary rates are being charged, the Airport Director, in his discretion, may adjust the rates to be consistent with market rates charged for services at the following airports: BGR, BDL, ALB, MHT and BVT.

4.2.2.1 "Dry lease" shall mean an agreement between a Tenant Party and an aircraft leasing or financing company under which the aircraft is provided to the Tenant Party with no crew, insurance, ground staff, supporting equipment, maintenance, etc., transferring possession and operational control over the aircraft to the Tenant Party.

4.2.3 **CITY** reserves the right to amend or modify the percentage rent payable, or the manner in which such rent, or any portion thereof, is calculated under this Lease Agreement, to the extent that such amendment or modification is applicable generally in a non-discriminatory manner to all persons providing similar services at the Airport and providing that such amendment, modification or increase is reasonably revenue neutral to **TENANT**. In such case, **CITY** shall provide **TENANT** with no less than thirty (30) days written notice prior to the effective date of such new rates or charges. In addition to the foregoing, **CITY** reserves the right to impose landing fees on all charters landing at the Airport pursuant to generally applicable, non-discriminatory rules and regulations issued pursuant to Airport rule-making.

4.2.4 Without limiting the foregoing, **TENANT** agrees to renegotiate the rent payable hereunder in the event of commencement or renewal of the term of the Lease of any other FBO located on the Airport, with the goal to minimize any discriminatory rental structure between competing FBO's at the Airport.

4.2.5 The parties hereby acknowledge that, in connection with the Project, **TENANT** is expending an amount not to exceed \$1,565,000 for the construction of a new aircraft ramp and apron adjacent to the Premises (the "New Ramp") which funds **TENANT** will be required to borrow from a lending institution for such purpose. In order to segregate expenses for the New Ramp from expenses for the Project, **TENANT** shall have a separate contract for the construction of the New Ramp, and shall provide **CITY** a detailed accounting of all construction expenses for the New Ramp. The New Ramp shall be designed and constructed to meet current FAA criteria as outlined in current FAA Advisory Circulars. Final design must be reviewed and approved by Airport Director in writing prior to start of construction. **TENANT** acknowledges

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and agrees that the New Ramp shall be the property of the **CITY** without the need for any transfer document.

In order to offset **TENANT**'s construction expenses for the New Ramp, **CITY** has agreed to abate the Fixed Rent and Additional Rent to be paid by **TENANT** pursuant to this Lease (collectively, the "New Rent"), and to abate any unpaid rental and/or other charges that may be currently due under the Colonial Lease (the "Colonial Charges", and together with New Rent, the "Abated Rent"), in an amount not to exceed \$1,565,000, plus interest on such amount at a fixed annual rate of 4.86%, of actual construction expenditures for the New Ramp. As of the date of this Lease, **TENANT**'s unreviewed estimate of the Colonial Charges due to City is \$81,159. The actual amount of the Colonial Charges, which **TENANT** agrees shall be no less than \$81,159, shall be determined by an independent accountant satisfactory to the **CITY** within 60 days of the execution date of this Lease. Abated Rent shall be satisfied as follows: (1) **TENANT** and **CITY** shall credit the Colonial Charges toward the Abated Rent, and (2) Fixed Rent and Additional Rent due under this Lease for the period commencing on the Rent Commencement Date, and ending when the total Fixed Rent, plus Additional Rent, plus Colonial Charges, are equal to the Abated Rent, shall be credited toward satisfaction of the Abated Rent. All accounting, reporting and audit requirements and rights contained in this Lease shall apply equally to the credits toward the Abated Rent. **CITY** shall retain the right to pay the outstanding balance of Abated Rent and any accrued interest at any time. Notwithstanding anything to the contrary in this subsection, in the event that this Lease is terminated for any reason prior to the full satisfaction of the Abated Rent, **TENANT** acknowledges and agrees that it shall not be entitled to reimbursement from the **CITY** for any outstanding New Ramp construction expenses or interest thereon.

### 4.3 RENEWAL RENT

In the event **TENANT** renews this Lease as provided in Section 3.2 above, all rent, including without limitation fixed and percentage rent, under this Lease Agreement during said renewal term shall be in the amount negotiated in good faith by the parties. Notice of intent to negotiate a new rent term shall be given no less than 120 days prior to renewal of the Lease; provided, however, that failure to give such notice shall not diminish nor negate the Parties' obligation to negotiate a new rent hereunder. If the parties have been unable to agree upon a new rental within 45 days after such notice (the "Rent Agreement Date"), the parties agree to submit the issue of rent only to the following appraisal process. **CITY** and Tenant shall use reasonable good faith efforts to agree, within fifteen (15) days after the Rent Agreement Date, upon a single appraiser to determine the renewal rent for the Premises. Such appraiser shall use its best efforts to render the appraisal to **CITY** and Tenant on or before twenty (20) days after its selection, and such appraisal shall be final and binding upon the parties. In the event **CITY** and Tenant cannot agree upon a single appraiser within ten (10) days after the Rent Agreement Date (the "Election Date"), then each of **CITY** and Tenant shall, within ten (10) days after the Election Date, select an appraiser. Such two (2) appraisers shall select a third appraiser within five (5) days. Such

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third appraiser shall use its best efforts to render the appraisal to the Landlord and Tenant on or before twenty (20) days after its selection. The fair rental value determined by such third appraiser shall be final and binding upon the parties and shall be the rent for the renewal term hereunder. The cost of the appraiser appointed by each party shall be borne by such party, and the cost of the third appraiser or, if the CITY and Tenant shall have jointly selected one appraiser, the jointly-selected appraiser, shall be borne one-half (½) by the Landlord and one-half (½) by the Tenant.

### 4.4 TIME AND PLACE OF PAYMENTS

4.4.1 The foregoing fixed rents of Section 4.1 shall be payable, without need for invoice, in equal monthly installments in advance on or before the first business day of each calendar month of the Term or any renewal term, at the office of the Airport Director, Portland International Jetport, 1001 Westbrook Street, Portland, Maine 04103, or such other place as the CITY may direct in writing from time to time.

4.4.2 The percentage of gross receipts shall be due and payable monthly, without need for invoice, at the office of the Airport Director at the address above, on the fifteenth (15th) day of each month based upon the gross receipts of the previous calendar month, the first of which shall be due and payable on the fifteenth (15th) day of the month following the month during which **TENANT** begins operations on the Premises. A detailed monthly revenue statement of all revenues received by any person as a result of any transaction at or on the Premises, regardless of the location of the person receiving such revenue and regardless of where such revenue is paid, shall be kept on file at the Airport office of **TENANT** for review by the Airport Director or his or her designee during regular business hours. The monthly revenue statement shall provide such detail as the Airport Director may require, including without limitation, a description of each such transaction, to whom the money was paid and the location of such person, and the gross amount of such money, showing the amount of the permitted deductions of sales taxes actually paid. **CITY** agrees that it shall endeavor to keep all such information reviewed by the Airport Director or his or her designee confidential, and shall not share such information with any person or entity, unless City, in its sole discretion, determines that disclosure of such information is required by law.

4.4.3 Within one hundred and eighty (180) days of the close of **TENANT's** fiscal year, **TENANT**, at its sole cost and expense, shall have prepared a reviewed financial statement, prepared and signed by an independent accountant, of all operations conducted at or from the Leased Premises for the previous fiscal year and will keep a copy of such statement on file in its office located at the Airport for review during regular business hours by the **CITY**. **TENANT** will notify **CITY** when said financial statement is available for review. In the event such financial statement discloses any payment due to **CITY** which has not been paid, such payment of any unpaid balance shall be made immediately upon completion of such financial statement. **TENANT's** fiscal year is from January 1 to December 31 of each year and **TENANT** shall provide the Airport Director with written notice of any change in said fiscal year. A late fee of

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Fifty Dollars (\$50.00) per day will be assessed for every day that the said financial statement is late in being made available to the **CITY** and said late fee shall be due and payable upon demand by **CITY**. **CITY** agrees that it shall endeavor to keep all such financial statements reviewed by **CITY** confidential, and shall not share such information with any person or entity, unless **CITY**, in its sole discretion, determines that disclosure of such information is required by law.

4.4.4 **CITY** reserves the right to conduct an audit of **TENANT**'s records, upon reasonable notice and during regular business hours, to determine the accuracy of amounts paid hereunder. In the event such audit discloses an underpayment to **CITY** of more than Ten Percent (10%) in any year, **TENANT** shall pay to **CITY**, in addition to the amount owed and any applicable late charges, the reasonable cost to **CITY** of its audit. In the event said audit shows an overpayment by **TENANT**, said overpayment shall be deducted from **TENANT**'s next due monthly percentage payment or payments. All records related to operations at or from the Leased Premises shall be maintained by **TENANT** for a minimum of six (6) years. **CITY** agrees that it shall endeavor to keep any and all information reviewed by **CITY** in connection with any such audit confidential, and shall not share such information with any person or entity, unless **CITY**, in its sole discretion, determines that disclosure of such information is required by law.

4.4.5 **TENANT** shall make prompt and timely payment, without deduction or setoff, of all rentals, fees, assessments, taxes and other charges due hereunder as the same may from time to time come due.

### 4.5 DELINQUENT RENTALS

There shall be added to all sums which the **TENANT** is required to pay hereunder (whether as rental or otherwise) to **CITY** and which are unpaid ten (10) days after their due date, a late charge of one and one-half percent (1-1/2%) of the unpaid sum for each full calendar month of delinquency computed as simple interest on a daily basis, using thirty (30) days in the month for purposes of calculating the daily rate. Any late charge assessed shall be computed from the original due date of the unpaid sum. The rate of the late charge may be changed from time to time pursuant to generally applicable Airport Rules and Regulations. Any late charge hereunder shall be additional to any interest or other charge imposed by the **CITY** generally, including without limitation, interest on unpaid real or personal property taxes.

## ARTICLE 5 – MAINTENANCE AND OPERATIONS

### 5.1 NET LEASE

The use and occupancy of the Leased Premises by **TENANT** will be without cost or expense to **CITY** and all rent payable hereunder shall be net to the **CITY**. It shall be the sole responsibility of **TENANT** to maintain, repair and operate the entirety of the Leased Premises and any

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improvements and facilities constructed thereon, and the Ramp, at **TENANT's** sole cost and expense, except as otherwise explicitly stated herein.

### 5.2 MAINTENANCE AND OPERATIONS

5.2.1 Premises. All repair, and maintenance of the Premises, including, but not limited to, general asphalt maintenance, landscaping, trimming and mowing, paving and snow and ice removal, shall be the responsibility of the **TENANT**. **TENANT** shall maintain the Premises and all of the fixtures, equipment and personal property which may be located in or upon any part thereof in a reasonably neat, clean and sanitary condition. **TENANT** shall not store snow off the Premises without written approval from the Airport Director. Snow removal shall not block any aircraft movement areas at any time.

5.2.2 Ramp. **CITY** has constructed the Ramp with airport funds in compliance with FAA requirements and the Ramp will be maintained by **CITY** for twenty years from and after the Rent Commencement Date. Upon completion of construction, **TENANT** will assume all liability for the safe use of the Ramp during the term of this Lease and any renewal term. **CITY** shall have no obligation to reconstruct the Ramp during the term of the Lease or any renewal term. **CITY** will plow, sand and de-ice the Ramp and Ramp taxiway and tiedown taxi lanes to the extent that such lanes can accommodate a Thirty (30) foot plow blade; if not, **TENANT** shall be responsible for all such plowing, sanding and de-icing. **TENANT** will be responsible for removing all snow at the tie downs on the Ramp. **TENANT** will further be responsible for the installation, maintenance and repair of the tiedowns themselves and painting of tiedown parking spots. **TENANT** shall not store snow in **CITY** plowed areas without the prior written approval of the Airport Director.

5.2.3 **TENANT** shall take good care of the Premises; shall reasonably maintain the Premises and the improvements, buildings and fixtures thereon in good condition at all times; shall make all repairs and replacements inside and outside, ordinary and extraordinary, structural or otherwise. Such repairs and replacements by **TENANT** shall be in quality and class not inferior to the original material and workmanship. **TENANT** shall pay promptly the costs and expenses of such repairs, replacements and maintenance, and maintain and repair all utility service lines located upon the Leased Premises to the extent they are used by **TENANT**, except to the extent such maintenance or repair is the obligation of the utility company providing such utility service.

5.2.4 All exterior repairs, replacements and maintenance shall be compatible with the original improvements and shall be in quality and class not inferior to the original material and workmanship. Except in the case of emergency repairs, all such exterior repairs and replacements in excess of Twenty Thousand Dollars (\$20,000.00) shall be subject to the prior written approval of the **CITY**, which shall not be unreasonably withheld or delayed, and shall comply with all applicable federal, state and local permit requirements. Standard design plans for such exterior repairs and replacement shall be submitted to the Airport Director for review

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and approval, which approval shall not be unreasonably withheld or delayed. Exterior repair and replacement shall be governed by applicable Minimum Standards and Development Guidelines.

5.2.5 **TENANT** shall paint, repair, replace or rebuild all or any part of the Premises, interior or exterior, structural or non-structural, as provided above, which may be damaged or destroyed (subject to the provisions of Article 9 below). In such case, **TENANT** shall have the right to apply any available insurance proceeds to such purposes.

5.2.6 **TENANT** shall provide, at its sole cost and expense, the necessary receptacles and arrangements for adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse which results from use of, or activities on, the Premises. Unless otherwise agreed in writing by **CITY**, all such trash, garbage and other refuse shall be disposed of at EcoMaine in Portland, or successor thereto. **CITY** reserves the right to require **TENANT** to participate in any recycling program which may be imposed by Airport rules or by local, state or federal law or regulation. **TENANT** shall defend, indemnify and hold the **CITY** harmless from any cost, expense, claim, fine or liability, including without limitation attorney's fees and court costs, arising out of or resulting from **TENANT**'s storage, collection, transportation or disposal of any trash, garbage or other refuse hereunder. This obligation of defense and indemnification shall remain in full force and effect after termination or expiration of this Lease.

5.2.7 **TENANT** shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse and must be stored inside the hangar. Piling of boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Leased Premises, shall not be permitted. Dumpster(s) can be stored outside if suitable covering and a good appearance is maintained at all times.

5.2.8 To the extent that **TENANT** does not undertake or pay for any of its obligations under this Subsection 5.2, **CITY** reserves the right to undertake such obligations or to pay such costs, in its sole discretion, and to charge all costs thereof to **TENANT** as additional rent. Except in the case of a threat to public health or safety as determined by the **CITY**, in which case **CITY** may proceed immediately, prior to such undertaking or payment, **CITY** shall provide **TENANT** with written notice of such failure to meet such obligations or to pay such costs, and shall provide **TENANT** with thirty (30) days from the date of such notice to undertake such obligation and proceed diligently to complete it, or to pay such cost. In the event **CITY** undertakes any such obligation or pays such cost hereunder, **TENANT** shall repay the **CITY** all such amounts immediately upon **CITY**'s demand therefor. Nothing herein shall prevent or prohibit the **CITY** from declaring a default hereunder and terminating the Lease as provided in Article 11 below.

### 5.3 **CITY RIGHT TO INSPECT AND REPAIR**

5.3.1 **CITY**, through its agents, may come on the Premises and its structures to inspect same for compliance with the requirements of this Lease, Airport rules and regulations, environmental laws, or other applicable legal and regulatory requirements. Such inspection will generally take

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place during normal business hours and following seventy two (72) hours advance notice to the **TENANT**, but the **CITY** reserves the right to enter the Premises unannounced at any time that the Airport Director determines such entry is necessary for public safety or security reasons. In the event of such unannounced entry, **CITY** shall notify the **TENANT** that such inspection occurred within a reasonable time thereafter. **TENANT** shall provide **CITY** with the ability to access the Premises and the buildings for such public safety and security purposes.

5.3.2 **CITY**, at its reasonable discretion, shall be the sole judge of the quality of the exterior repair and maintenance; and **TENANT**, upon notice by **CITY** to **TENANT** shall be required to perform whatever repair and maintenance **CITY** deems reasonably necessary. If said repair and maintenance is not undertaken by **TENANT** within thirty (30) days after receipt of written notice, **CITY** shall have the right to enter upon the Leased Premises and perform the necessary repair and maintenance, the cost of which shall be borne by **TENANT** as additional rent to be paid to **CITY** immediately upon demand therefor. Notwithstanding the foregoing, in the case of a threat to public health or safety, **CITY** may undertake such repairs as it deems reasonably necessary and charge the cost thereto to **TENANT** as additional rent to be paid to **CITY**, without regard to any notice requirement herein. No waste shall be committed or damage done to the Premises, the buildings and equipment located thereon, nor to property of **CITY**.

### 5.4 UTILITIES

**TENANT** shall have the right to bring utilities to the Premises at its own cost and expense and in accord with all applicable laws, rules and regulations for the extension and hookup of such utilities. **TENANT** shall assume and pay for all construction, installation and periodic costs or charges for utility services furnished to **TENANT** during the term hereof; provided, however, that, consistent with applicable laws, regulations or permit requirements, **TENANT** shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense, subject to the approval of the Airport Director, which shall not be unreasonably withheld or delayed; and **TENANT** shall pay for any and all service charges incurred there from. The **TENANT** must also meet the requirements of the Airport's Storm Water Pollution Prevention Plan and any amendments thereto.

### 5.5 PAYMENT OF TAXES AND OTHER ASSESSMENTS

5.5.1 **TENANT** agrees to pay promptly when due, and not to permit to become delinquent, levies, taxes, assessments, excises, permit fees, license fees, charges, impositions or burdens of whatsoever kind and nature, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or for any public improvements or utility services (hereinafter "impositions") which, at any time during the term of this Lease Agreement, may be created, levied, assessed, imposed or charged upon or with respect to the Leased Premises or any part thereof, by any federal, state, county, municipal or other authority, which imposition would be valid and applicable to **TENANT** irrespective of this section.

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5.5.2 Nothing herein contained shall be construed as stopping or preventing **TENANT** from contesting in good faith, however, the validity or applicability to its operations hereunder of any such law, ordinance, rule, regulation, tax assessment, excise fee or charge, including the exhaustion of all appeal rights, provided that the Leased Premises shall not be in danger of being forfeited nor the **CITY** exposed to any threat of fine, penalty or violation.

5.5.3 Notwithstanding the foregoing, **TENANT** acknowledges that **CITY** has the right from time to time to establish and impose reasonable charges and fees for users of the Airport or its facilities, provided that such charges and fees are charged in a uniform and non-discriminatory manner and do not significantly increase the total fixed and percentage rent due hereunder; and provided, further, that **CITY** shall provide **TENANT** with no less than thirty (30) days prior written notice prior to imposing any new fee or charge which directly or indirectly affects **TENANT** or any sub-tenant of **TENANT**.

### 5.6 NONDISCRIMINATION; AFFIRMATIVE ACTION

5.6.1 The **TENANT**, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with this Lease of the Premises that, to the extent applicable to **TENANT**'s operations hereunder:

(a) no person on the grounds of age, race, color, sex, disability, religion, national origin or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of age, race, color, sex, disability, religion, national origin, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(c) that the **TENANT** shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended; and

(d) that **TENANT** shall undertake an affirmative action program as required by 14 CFR Part 152, Sub E, to insure that no person shall on the grounds of race, creed, color, national origin, or sexual orientation be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E.

5.6.2 **TENANT** agrees to furnish service on a fair, equal, and non discriminatory basis to all users thereof, and to charge fair, reasonable, and non discriminatory prices for each unit of service.

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5.6.3 Nothing in this Section 5.7 is intended, nor shall it be deemed, to permit **TENANT** to establish or carry out any non-aeronautical commercial activity from the Premises.

5.7. Intentionally omitted.

### **5.8 OBSERVANCE OF STATUTES, ETC.**

5.8.1 During the Term hereof and renewal term, **TENANT** shall, at its own cost and expense, promptly observe and comply with all existing and future applicable laws, ordinances, rules, regulations, licenses, permits, decisions and decrees of the Federal, State, County and **CITY** Governments (including but not limited to Airport Rules and Regulations, Airport Minimum Standards, Airport Storm Water Pollution Prevention Plan, Airport Security Plan and Regulations, Airfield Regulations, Airport Development Guidelines, and the Airport Certification Manual), as well as those of any other government authority having jurisdiction over the Premises or any part thereof, including without limitation all applicable Federal Aviation Administration rules and regulations, whether the same are in force at the commencement of the term of this Agreement or should be enacted in the future.

5.8.2 **TENANT** shall not make any use of the Premises which is improper, offensive or contrary to any law or ordinance, nor to permit any act or thing to be done which shall constitute a nuisance or which may make void or voidable any insurance on the Premises or the buildings or improvements thereon.

5.8.3 **TENANT** shall pay all fines, penalties, damages, expenses or costs, including reasonable counsel fees, and shall indemnify and hold the **CITY** harmless therefrom, which may in any manner arise out of or are imposed on **TENANT**, **CITY** or Airport because of the failure of the **TENANT** to comply with the requirements of this Section 5.8. Without limiting any other right of **CITY** hereunder, **TENANT**'s non-compliance with any provision of this Section 5.8 shall be grounds for termination of this Lease Agreement.

5.8.4 **TENANT** shall have the right, but not the obligation, to contest, without cost or expense to **CITY**, the validity or application of any law, ordinance, rule, regulation, or requirement of the type referred to in the preceding sub-section. If by the terms of any such provision, compliance may be legally delayed without risk of forfeiture or lien on the Premises or penalty to the **CITY**, pending resolution of the legal challenge, **TENANT** may delay compliance therewith until final determination of such proceeding.

5.8.5 **CITY** agrees to execute and deliver any appropriate papers or other instruments which may be reasonably necessary or proper to permit **TENANT** to contest the validity or application of any such provision.

### **5.9 ENVIRONMENTAL STATUTES**

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5.9.1 **TENANT** covenants and agrees to comply with all applicable environmental laws, including without limitation all laws governing hazardous substances and all requirements related to storm water discharges and permits, and to provide to **CITY**, immediately upon receipt, copies of any correspondence, Notice, Pleading, Citation, Indictment, Complaint, Order, Decree or other document from any source asserting or alleging a circumstance or condition which requires, or may require, a clean-up, removal, remedial action, or other response by or on the part of **TENANT** under environmental laws, or which seek civil, criminal or punitive penalties from **TENANT** for an alleged violation of environmental laws. **TENANT** further agrees to advise the **CITY** in writing as soon as **TENANT** becomes aware of any condition or circumstances which may result in a potential violation of any environmental laws. **TENANT** shall comply with the Airport's Storm Water Pollution Prevention Plan and any amendments thereto, and shall grant access to the **CITY** for inspections required by the plan. **TENANT** agrees, at its expense, and at the request of **CITY** when it has a reasonable belief that there is a problem or when required by another governmental entity, to permit an environmental audit for the benefit of **CITY** and **TENANT**, to be conducted by **CITY**. This provision shall not relieve **CITY** from conducting its own environmental audits or taking any other steps necessary to comply with environmental laws.

5.9.2 Without limiting the foregoing, **TENANT** shall not dump, flush, or in any way introduce any hazardous materials or hazardous waste or any other toxic materials upon the Leased Premises nor shall it improperly store, or dispose of any hazardous materials or hazardous waste from any such property, except in full compliance with all applicable laws and regulations. For purposes of this paragraph, the term hazardous materials shall mean inflammable, explosives, radioactive materials and hazardous substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, the Hazardous Conservation and Recovery Act, and the Resources Conservation and Recovery Act, or any similar federal, state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The term "hazardous materials" shall also include any other chemical, material or substance which is or may be regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by any federal, state or other governmental authority or agency or which, even if not so regulated, may or could pose a hazard to human health and safety.

5.9.3 If in the opinion of **CITY**, there exists any uncorrected violation by **TENANT** of an environmental law which requires, or may require, a cleanup, removal or any condition or other remedial action by **TENANT** under any environmental law, regulation, permit, license, judgment or decree, and such cleanup, removal or other remedial action is not completed, or commenced and diligently pursued, within thirty (30) days from the date of written notice from **CITY** to **TENANT**, the same shall, at the option of **CITY**, constitute an event of default hereunder.

5.9.4 For the purposes of this Section 5.9, the term "environmental law or laws" shall mean all

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Federal, State and local laws including statutes, regulations, ordinances, codes, rules, permits, licenses, judgments, decrees, or other governmental restrictions and requirements relating to the environment or any hazardous substance, including but not limited to, the State of Maine environmental protection statutes, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Research Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendments and Reauthorization Act of 1986, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any State Department of Environmental Protection or successor agency now or anytime hereafter in effect.

5.9.5 **TENANT** shall defend, indemnify and hold the **CITY** harmless from and against and in respect of any and all damages, costs and expenses, including without limitation, fines, penalties, reasonable attorney's fees, consequential damages and remedial costs and other liabilities arising from claims based upon the environmental condition of the Premises and the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), resulting from (a) **TENANT's** use of the Premises or operations thereon by or on behalf of **TENANT**; (b) claims arising out of, related to, or in connection with (i) the release by **TENANT** of any hazardous material into, onto or from the Premises; or (ii) any arrangement by **TENANT** for the treatment, recycling, storage or disposal at any facility owned or operated by any person or entity of a hazardous material which is present on the Premises or has been or may be deposited at, disposed on or released onto the Premises; and (c) claims related to demolition, cleanup or other remedial measure with regard to environmental conditions on or around the Premises by **TENANT**; or (d) claims resulting from any act or omission of **TENANT** in violation of any federal, state or local environmental laws or regulations with respect to **TENANT's** use of the Leased Premises.

5.9.6 **CITY** shall give to **TENANT** prompt and reasonable notice of any such claim or action, and **TENANT** shall have the right to investigate, compromise, and defend the same.

5.9.7 **TENANT**, as used in this Section 5.9, shall mean and include the named **TENANT**, its officers, agents, employees, invitees, customers, subcontractors, transferees, licensees, subtenants, vendors, suppliers or anyone for whose act **TENANT** may be legally liable.

5.9.8 The Terms of this Section 5.9 shall expressly survive the expiration or earlier termination of this Lease Agreement, including without limitation the terms of Subsection 5.9.5.

### 5.10 HAZARD LIGHTS

**TENANT** shall, at its expense, provide and maintain hazard lights on any structure erected by **TENANT** on the Leased Premises, if required by **CITY** or FAA regulations. Any hazard lights so required shall comply with the specifications and standards established for such installations by the FAA.

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## 5.11 OTHER RESTRICTIONS

**TENANT** shall not, and shall not permit any person, to use the Premises in such a manner as to create electrical interference with navigational signals or radio communication between the Airport and aircraft, make it difficult for pilots to distinguish between Airport lights and other lights, result in glare in the eyes of pilots using the Airport, impair visibility in the vicinity of the Airport, create bird strike hazards, or otherwise in any way endanger or interfere with the landing, takeoff, or maneuvering of aircraft intending to use the airport.

## 5.12 CONFLICTING REGULATIONS

Where there exists a conflict between any of the regulations or limitations prescribed in this Lease and any other regulations applicable to the same area, whether the conflict is with respect to the height of structures or trees, and the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

## 5.13 AIRPORT ZONE HEIGHT LIMITATIONS

**TENANT** shall comply with all applicable zone height limitations in its operations hereunder, including but not limited to 14 CFR Federal Aviation Regulation, Part 77, or any successor law or regulation, and shall not, nor permit any person to, erect, alter or maintain any structure, or grow any vegetation in any zone to height in excess of the height limitations. **CITY** reserves the right to enter upon the Premises and to remove any such structure or vegetation, and charge the cost thereof to **TENANT** as additional rent should **TENANT** fail to effect such removal promptly after written notice from the Airport Director to do so. **TENANT** shall submit FAA Form 7460-1 Notice of Proposed Construction or Alteration, or applicable successor form, to the FAA, with a copy to the Airport Director, prior to erecting any possible obstruction on the Premises.

## 5.14 NOISE ABATEMENT

5.14.1 The **TENANT** agrees that it will comply, and require all flight crews of aircraft based at the facility on the Premises to comply with all applicable elements of the Airport's Noise Compatibility Plan (FAR Part 150 Study) approved by the FAA. This includes use of preferred noise abatement departure routes, use of Airport's voluntary noise abatement departure procedures, use of the preferential runway use program, use of the maintenance run-up procedure, and attendance at noise advisory committee meetings if requested.

5.14.2. If operations on the Premises cause or are projected to cause substantial shifts in the noise contours surrounding the Airport (from the projected contours developed by HMMH as provided in the Noise Exposure Map dated March, 2007 available from the Airport Director) that bring or are projected to bring neighboring residences within the 65 DNL contour, the **TENANT**

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agrees to accept operational restrictions on its use of the Premises to the degree consistent with FAA requirements.

### **ARTICLE 6 - OBLIGATIONS OF CITY**

#### **6.1 OPERATION AS PUBLIC AIRPORT**

**CITY** covenants and agrees that at all times during the term of this Lease it will operate and maintain the Airport as a public airport consistent with and pursuant to the Sponsor's Assurances given by **CITY** to the United States Government under the Federal Airport Act or any successor Assurances or Act.

#### **6.2 INGRESS AND EGRESS**

Upon paying the rental hereunder and performing the covenants of this Lease, **TENANT** shall have the right of ingress to and egress from the Premises for the **TENANT**, its officers, employees, agents, servants, vendors, suppliers, customers, and invitees over the roadway provided by **CITY** serving the Premises. **TENANT's** access shall be in common with other users and shall be subject to applicable security requirements and to possible episodic interruptions due to security or safety concerns. **CITY's** roadway (Aviation Boulevard) shall be used jointly with other tenants on the Airport, and **TENANT** shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as **CITY** deems necessary.

In the event the roadway is accepted as a City street by the City of South Portland, **TENANT** shall comply with all applicable South Portland requirements for use of the roadway and it shall be plowed and maintained by South Portland. In the event the road is not accepted by South Portland or is discontinued by the City of South Portland, all repair and maintenance, including, but not limited to, general asphalt maintenance, landscaping, trimming and mowing, paving and snow and ice removal, will be the responsibility of **TENANT**.

#### **6.3 CONSTRUCTION BY CITY**

There are no facilities to be constructed by **CITY** under this Agreement. The Airport has completed construction of Aviation Boulevard and presented documents to the City of South Portland to permit acceptance as a South Portland city street.

#### **6.4 "MOST FAVORED NATIONS"**

**CITY** agrees that if it contracts with a full service fixed base operator operating at the Airport for any more favorable term in regard to permitted and required uses, or in regard to the fixed rent or percentage rent payable hereunder, **CITY** agrees, upon **TENANT's** request, to offer such term or terms to **TENANT** as an amendment to this Agreement. "Full service fixed base

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operator" as used herein shall mean a fixed base operator operating, at a minimum, at the Airport on a daily basis from 8:00 a.m. to 5:00 p.m. and providing all of the services required to be provided in Section 2.1.1 above, as such Section is in effect as of the execution date of this Agreement.

### **ARTICLE 7 - CITY'S RESERVATIONS**

#### **7.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES**

7.1.1 **CITY**, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport, including the right to remove or relocate any structure on the Airport, as it sees fit, and to take any action it considers necessary to protect the instrument approaches of the Airport against obstructions, together with the right to prevent **TENANT** from erecting or permitting to be erected, any buildings or other structure on the Airport which, in the opinion of **CITY** would limit the usefulness of the Airport or constitute a hazard to aircraft. **CITY** acknowledges that it has agreed to permit **TENANT** to construct the Project.

7.1.2 In the event **CITY** requires the use of the Premises for expansion, improvement, or development of the Airport, **CITY** reserves the right, on six (6) months notice, to relocate or replace **TENANT**'s improvements in substantially similar form at another generally comparable location on the Airport. The costs of such relocation or replacement shall be paid or reimbursed, as appropriate, by **CITY**.

#### **7.2 WAR OR NATIONAL EMERGENCY**

During any time of war or national emergency, **CITY** shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease or agreement is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the lease or agreement with the Government shall be suspended, and in that event, a just and proportionate part of the rent hereunder shall be abated, and **TENANT** shall be entitled to receive that portion of rental payments received by the **CITY** that exceed the amounts owed to the **CITY** under this Lease.

### **ARTICLE 8 - INDEMNITY AND INSURANCE**

#### **8.1 INDEMNIFICATION**

8.1.1 To the fullest extent permitted by law, **TENANT** agrees to defend, indemnify, and save forever harmless the **CITY**, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of **TENANT**'s use,

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occupancy or management of the Leased Premises or the Ramp; **CITY** shall give to **TENANT** prompt and reasonable notice of any such claims or actions, and **TENANT** shall have the right and obligation to investigate and defend the same; and provided further, that **TENANT** shall not be liable for any claims, actions, injury, damages or losses to the extent they are occasioned by the negligent or intentional act of **CITY**, its officers, agents or employees. Notwithstanding the foregoing, **TENANT** shall defend the **CITY** from all such claims. "**TENANT**" as used in this Subsection 8.1.1 and in Section 8.2 shall mean and include the named **TENANT**, the Tenant Parties, their officers, agents, employees, invitees, customers, subcontractors, transferees, licensees, subtenants, vendors, suppliers and anyone for whose act **TENANT** or Tenant Parties may be legally liable.

8.1.2 **TENANT** shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against **CITY** or in which **CITY** may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, material, men, and suppliers. **CITY** shall have the right to participate in such suits and no action shall be settled without prior consent of the **CITY**. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the **CITY** which would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

8.1.3 If **TENANT** is required to obtain workers compensation coverage under Maine law, **TENANT** agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against **CITY**. In the event such waiver is not available, **TENANT** shall defend, indemnify and hold the **CITY** harmless from any such subrogated claims.

8.1.4 This indemnity and hold harmless provision of this Section 8.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the **CITY**. The provisions of this Article 8 and the obligations of **TENANT** hereunder shall survive the termination or expiration of this Lease.

8.1.5 Notwithstanding anything to the contrary contained in this Lease, in no case shall either party be liable to the other, or to any third party, for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

### 8.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, **TENANT** shall not cause nor permit any lien against the Leased Premises, any portion thereof or any **CITY** property wherever located, or any improvements thereto, to arise out of or accrue from any action, omission or use thereof by **TENANT**. **TENANT** may in good faith, however, contest the validity of any alleged lien. **TENANT** shall defend and indemnify and hold the **CITY** harmless from any cost, expense,

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attorney's fees or other liability arising out of or resulting from any such lien or liens, and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure which is acceptable to the **CITY**. So long as **TENANT** defends **CITY** in any action concerning any such lien, **TENANT** shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the **CITY**. This provision shall survive termination or expiration of this Lease Agreement. If (a) **TENANT** is not defending against such lien; and (b) foreclosure proceedings have been commenced by a lienor other than **CITY**, and (c) **TENANT** has not bonded off or otherwise made provision for the subject lien, **CITY** may, at its sole discretion, pay any amounts secured by any such lien and in such case, **TENANT** shall repay all such payments to **CITY** immediately upon **CITY**'s demand therefor.

### 8.3 INSURANCE

8.3.1 Without expense to the **CITY**, and with no lapse in coverage, **TENANT** shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance no less than that required by the Jetport Minimum Standards for FBO operations at the Airport. A copy of the insurance requirements in effect as of the execution date of this Agreement is attached as Exhibit D.

8.3.2 **TENANT** shall procure and maintain, as of the date of beneficial occupancy of the Leased Premises, all risks fire and casualty insurance, in an amount no less than ninety percent(90%) of the replacement value of the Project and related fixtures, or in such maximum amount as is available if ninety percent (90%) is not available.

8.3.3 **TENANT** and the **CITY** understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and **CITY** reserves the right to amend the minimums as needed throughout the term of this Lease. **TENANT** agrees that it will increase such minimum limits upon receipt of notice in writing from the **CITY**.

8.3.4 In the event any construction or renovation on the Premises or the Ramp is approved by the **CITY**, **TENANT** shall procure and maintain, or cause to be procured and maintained, commercial general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the **CITY** may reasonably require, covering such construction. Said insurance shall protect **TENANT** and **CITY** from any claims or damages arising out of or resulting from such construction or renovations, and shall name the **CITY** as an additional insured thereon. In addition to the foregoing, **TENANT** shall cause to be procured and maintained automobile liability and workers compensation insurance in such amounts as the **CITY** may reasonably require.

8.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Premises or the Ramp shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport

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Director. Each liability policy required to be obtained hereunder shall name the **CITY** as an additional insured thereunder and shall be on an occurrence basis. All policies required hereunder shall be primary to any insurance or self-insurance which **CITY** may maintain for its own benefit.

8.3.6 Certificates or other evidence of insurance coverage required of **TENANT** in this Article, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the **CITY** prior to the execution of this Lease Agreement and annually thereafter. **TENANT** shall at all times during the term of this Lease Agreement provide **CITY** with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises or the Ramp. Insurer shall provide no less than thirty (30) days written notice prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Director. It shall be **TENANT**'s responsibility throughout the term of this Lease to provide or have provided to the Airport Director renewal insurance certificates with no lapse in coverage prior to such renewal.

8.3.7 If at any time **TENANT** should fail either to obtain or to maintain in force the insurance required herein, the **CITY** shall notify **TENANT** of its intention to purchase such insurance for **TENANT**'s account; and, if **TENANT** has not delivered evidence of insurance to the Airport Director prior to the date on which the current insurance expires, the **CITY** may effect such insurance by taking out policies in companies satisfactory to the **CITY** and charging the costs thereof to **TENANT** as additional rent. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the **CITY** shall be payable by **TENANT** as additional rental immediately upon demand therefor by **CITY**. Nothing herein is intended nor shall it be deemed to waive any right of **CITY** to declare the Lease in default hereunder.

### 8.4 LEASE SURETY

8.4.1 Prior to the Rent Commencement Date, **TENANT** shall provide the Airport Director with a bond or letter of credit (the "Surety") guaranteeing **TENANT**'s performance of its obligations hereunder in the amount of One Hundred Thousand Dollars (\$100,000.00). **CITY** shall be the obligee on such Surety and it shall be in a form satisfactory to the Airport Director. If **TENANT** shall default in the payment of any rent, tax, fees or charge due under this Agreement to any entity, or the performance of any other obligations under this Lease Agreement, **CITY** shall have the right to call the Surety and upon notice from **CITY** to said Surety, said Surety shall pay any amounts owed by **TENANT** and unpaid, and to reimburse **CITY** any loss, costs or expenses it incurs in the event of any default hereunder by **TENANT**. Notwithstanding the foregoing, **TENANT** shall remain liable for any amounts due hereunder and unpaid, and any costs and expenses incurred by **CITY** in excess of the amount of said letter of credit. The **CITY**'s rights under this Subsection shall be in addition to all other rights and remedies provided to the **CITY** under this Agreement.

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8.4.2. **CITY** reserves the right to require any successor, assignee, subtenant or other transferee of **TENANT** as tenant under this Lease, as a condition of **CITY** consent to such succession, assignment, sublease or transfer, to provide **CITY** with a Surety as provided in Subsection 8.4.1 above.

8.4.3. Notwithstanding the reimbursement of any amounts owed through the letter of credit, **CITY** reserves the right to declare **TENANT** in default under the Lease for the underlying failure of **TENANT** to pay any amounts or undertake any obligation required herein, which failure resulted in **CITY** drawing upon the letter of credit.

### **ARTICLE 9 - DESTRUCTION OF PREMISES**

9.1 In the event the buildings and improvements on the Premises, or any substantial part thereof, should be damaged or destroyed by an insured casualty, such buildings or improvements shall be repaired or rebuilt by **TENANT** and paid for with the **TENANT**'s insurance proceeds; and, if such proceeds are insufficient for such purposes, the **TENANT** shall pay the deficiency, unless otherwise agreed as provided herein. Repair or restoration of the buildings and improvements shall be in accordance with the original Plans and Specifications, together with alterations or modifications made or agreed upon prior to the casualty, unless the parties otherwise mutually agree to new or modified plans or such new or modified plans are required by then applicable law or regulation.

9.2 Notwithstanding the foregoing, during the last ten (10) years of this Agreement or any renewal thereof, in the event the buildings and improvements on the Premises, or a substantial part thereof, should be destroyed, then **TENANT** may terminate this Agreement by written notice to **CITY** within ninety (90) days of the casualty and all obligations of each party hereunder shall terminate. In the event of such termination, **TENANT** shall return the Premises to **CITY** restored to a clean and usable condition, with removal of all personal and real property as provided in Article 12.3 below, "Termination for **TENANT** Default". If **TENANT** does not provide notice of such termination, **TENANT** shall proceed diligently to rebuild and restore the Premises and the buildings and improvements thereon in accord with the original plans and specifications or such other plans and specifications as may be approved by the Airport Director and any applicable planning authority.

9.3 If the building or buildings shall be damaged in such manner as to render them unusable in whole or in part during repair and restoration thereof, the rent provided to be paid under the terms of this Lease Agreement shall be abated or reduced proportionately during the period from the date of such damage or destruction until the work of repairing, restoring or reconstructing said building or buildings is completed.

### **ARTICLE 10 - CONDEMNATION**

10.1 **CITY** agrees to give prompt written notice to **TENANT** of any eminent domain,

## PROPOSED AGREEMENT

condemnation, compulsory acquisition or like proceedings by any competent authority which might result in a partial or full, temporary or permanent, taking of the Leased Premises and of which **CITY** has actual notice. Each party may file and prosecute their respective claims for an award, but all awards and payments on account of a taking shall be held in trust by the recipient to be distributed according to the respective interests of the parties, i.e., payments allocable to the value of the Leased Premises and the residual interest in the Leased Premises shall be paid to **CITY** and payments allocable to **TENANT**'s leasehold interest and improvements shall be paid to **TENANT**.

10.2 In the case of a taking (other than for temporary use) of the fee of the entire Leased Premises, or so substantial a part of the Leased Premises that such taking materially impairs **TENANT**'s conduct of its operations at or from the Premises, this Agreement shall terminate as of the effective date of such taking. In the case of a temporary taking (including without limitation a temporary taking as a result of relocation under 7.1.2 above), this Agreement shall be suspended during such time as **TENANT** is unable to use the Leasehold Premises for the uses provided herein. In the case of a temporary taking which does not permit **TENANT** to use the Premises as provided herein for a period of ninety (90) days or more, at the conclusion of said ninety (90) day period, **TENANT** may, in its discretion, give **CITY** a thirty (30) day notice of its intent to terminate the Lease Agreement, during which thirty (30) day period **CITY** may provide **TENANT** with comparable leased space from which to conduct its operations; and, in such event, this Lease will be amended to cover such alternative space and shall not terminate. In the event **CITY** does not provide such alternative space, this Lease shall terminate at the end of the thirty (30) day notice period, with no further obligation by either party. Nothing herein shall prevent or prohibit the **CITY** from providing alternative space to **TENANT** prior to receipt of the thirty (30) day notice of termination. **TENANT**'s obligation to pay rent hereunder shall be suspended during any temporary taking during which **TENANT** is unable to conduct its operations at or from the Leased Premises; provided, however, to the extent **TENANT** is able to continue its operations hereunder from the Premises or from an alternative site, the **TENANT** shall continue to pay the fixed rent based upon the square footage then available to **TENANT**, and the percentage rent, if applicable.

### ARTICLE 11 - TERMINATION OF LEASE

11.1 **CITY's Right to Terminate.** The **CITY**, in addition to any other rights to which it may be entitled by law, acting by and through its City Manager, may declare this Lease Agreement terminated in its entirety, subject to and in the manner provided herein, upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Premises:

- (a) To the extent permitted by law, the filing by **TENANT** of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of **TENANT**'s assets;

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- (b) To the extent permitted by law, the entry of an order for relief against the **TENANT**, by a court of applicable jurisdiction, pursuant to any involuntary bankruptcy petition filed against the **TENANT**;
- (c) To the extent permitted by law, the taking of jurisdiction by a court of competent jurisdiction of **TENANT** or its assets, pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) To the extent permitted by law, the appointment of a receiver or trustee of **TENANT**'s assets by a court of competent jurisdiction or a voluntary agreement with **TENANT**'s creditors;
- (e) The voluntary abandonment by **TENANT** of the Leased Premises (and the failure to pay rent thereon) for a period in excess of thirty (30) days; or
- (f) The material breach by **TENANT** of any of the covenants or agreements herein contained and not cured as provided below. A material breach shall include, but not be limited to, the failure of the **TENANT** to comply with the mandatory elements of the Airport's Part 150 program and the failure of **TENANT** to pay any rental, tax, fee, or charge required to be paid by the terms of this Lease Agreement.

11.2 **TENANT's Right to Terminate.** **TENANT**, in addition to any other right given to it herein or to which it may be entitled by law, may terminate this Agreement in its entirety, subject to and in the manner provided herein, upon or after the happening of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction which materially prevents or restrains the use of the Airport or the Leased Premises for the purposes permitted under this Lease Agreement and such injunction remaining in force for a period of at least ninety (90) days after the date of receipt of written notice of such injunction by **CITY**;
- (b) Subject to **TENANT**'s obligation to restore or repair the Premises under Article 9 above, the inability of **TENANT** to use said Leased Premises and Airport facilities due to war, earthquake or other casualty for a longer period than ninety (90) days after the date of receipt of written notice of such inability from **TENANT**;
- (c) Any action of any governmental authority, board, agency or officer having jurisdiction thereof preventing **TENANT** from conducting the activities permitted hereunder at or on the Leased Premises by a taking, directly or indirectly, in whole or a substantial part, of the Leased Premises for a period of at least ninety (90) days after receipt of written notice of such action by **CITY**, subject to Article 10 above;

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- (d) The taking, through the process of eminent domain, of all or a substantial part of the Premises leased by **TENANT**, subject to Article 10 above; or
- (e) The material breach by **CITY** of any of the covenants or agreements herein contained and not cured as provided below.

11.3 **Default by CITY.** In the event of any default by **CITY** of any of its obligations under this Lease Agreement, **TENANT** may declare the **CITY** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to **CITY's** Airport Director in the office of the Airport Administration, addressed and copied as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. No termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **TENANT** to **CITY**, and such default shall not have been cured during such thirty (30) day period by the **CITY**. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **CITY** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable.

11.4 **Default by TENANT.** In the event of any default by **TENANT** of any of its obligations under this Lease Agreement, **CITY** may declare the **TENANT** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to **TENANT** addressed as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. Except as provided otherwise in this Lease Agreement whereby no opportunity to cure is required, no termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **CITY** to **TENANT**, and such default shall not have been cured during such thirty (30) day period by the **TENANT**. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **TENANT** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable. In the event **TENANT** knew or should have known of the default prior to receipt of **CITY** notice, said thirty (30) day period to cure shall be deemed to begin as of the date **TENANT** knew or should have known of said default. Notwithstanding the foregoing, if **TENANT** should fail to pay any sum, including without limitation any rental, tax, assessment or use fee or charge, as required hereunder, **TENANT** shall have ten (10) days from receipt of **CITY** notice of default to cure said default, and if not so cured, termination of this Lease Agreement shall be effective as of the eleventh day following said receipt of notice.

### **ARTICLE 12 - RIGHTS UPON TERMINATION**

12.1 **TENANT** agrees that upon the expiration of the term of this Lease or sooner termination

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thereof, the Leased Premises will be delivered to **CITY** in good condition, reasonable wear and tear excepted, and all buildings, fixtures and personal property located on the Leased Premises shall remain on, or be removed from, the Leased Premises as provided herein. Upon the termination or expiration of this Lease Agreement, all rights of **TENANT** hereunder to possession of the Leased Premises shall immediately terminate.

12.2 Lease Expiration or Termination for **CITY** Default. Upon expiration of this Lease Agreement or termination for default by **CITY**, **TENANT** shall have the right, but not the obligation, upon notice to **CITY** prior to the effective date of such expiration or termination, to enter upon the Premises within thirty (30) days after the effective date of such expiration or termination and to remove all buildings, fixtures and personal property installed on the Premises, and to repair any damage to the Leased Premises caused by said removal and to restore the Premises to its original condition, all at **TENANT**'s cost and expense. In the event **TENANT** does not provide such notice to **CITY**, title to all buildings, fixtures and personal property located thereon shall vest in the **CITY** as of the day following the effective date of expiration or termination of this Lease Agreement.

12.3 Termination for **TENANT** default.

12.3.1 Personal Property. If termination of this Lease Agreement is for default by **TENANT** hereunder, **TENANT** shall remove all personal property located on the Premises within thirty (30) days after the date of such termination. Title to and ownership of any personal property left on the Premises after the expiration of said thirty (30) day period shall immediately vest in **CITY** as of the thirty-first day following the effective date of such termination. Personal property as used hereunder shall not include any buildings or fixtures located on the Premises.

12.3.2 Buildings and Fixtures. If termination of this Lease Agreement is for default by **TENANT** hereunder, all buildings and fixtures on the Leased Premises shall become the property of **CITY** and title thereto shall vest in **CITY** as of the thirty-first day following the effective date of such termination; provided, however, upon written notice from **CITY** to **TENANT** prior to the date of termination of this Lease Agreement, **CITY** may require **TENANT** to remove all such buildings and fixtures within thirty (30) days after the date of such termination and to repair any damage to the Leased Premises caused by said removal and to restore the Premises to its original condition, all at **TENANT**'s cost and expense.

12.4 **TENANT** Failure to Remove. Upon vesting of title in **CITY** in any buildings, fixtures or personal property pursuant to the terms of this Article, **CITY** shall have the right to use, lease, sell, assign, remove or otherwise dispose of, or store such property, subject to the requirements of any then applicable laws for the disposition of abandoned property. **CITY** shall be entitled to all proceeds from any such use, lease, sale, assignment or other disposition; and in the event **TENANT** was required to remove such buildings, fixtures or personal property under the terms of this Article and failed to do so, **TENANT** shall be liable to **CITY** for all losses, fees, or costs incurred by **CITY** in such use, lease, sale, assignment, removal, storage or other disposition,

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including without limitation reasonable attorney's fees, and any costs or expenses incurred by **CITY** to repair any damage to the Leased Premises caused by said removal and to restore the Premises to its original condition.

### **ARTICLE 13 - NO ASSIGNMENT AND SUBLETTING**

13.1 The **TENANT** shall not assign, rent, sublease, convey, mortgage, encumber or otherwise transfer in any manner all or any part of the Leased Premises or the improvements located thereon or any of the privileges granted to **TENANT** hereunder, without the prior written consent of the **CITY**, which approval shall not be unreasonably withheld or delayed. To the degree consistent with this Lease Agreement and the scope of use described herein, the **CITY** consents to operation of the FBO through the wholly owned entities of **TENANT** or through any one or more of the Tenant Parties, as identified in Exhibit C. **TENANT** shall provide **CITY** with a list of all persons, companies, corporations, or other entities who operate at or from the Premises under a sublease or other agreement, transfer or assignment by or with **TENANT**, such list to be provided on an annual basis or upon **CITY**'s request. **CITY** reserves the right to review the form of all subleases. **CITY** further reserves the right to place such reasonable conditions upon any such transfer as it deems to be in the best interest of the **CITY**. In the event of any approved transfer, sublease or assignment, **TENANT** shall continue to be liable to **CITY** for all rent, fees, taxes and assessments for which it is liable hereunder. All approved transferees, subleases or assignees shall be required to conform to all of the terms and conditions of this Lease Agreement, including without limitation, all insurance requirements hereunder.

13.2 Any violation of the terms of this Article by any person at or on the Premises, or conducting any activities from, at or on the Premises, shall be deemed a breach of this Lease Agreement and, at **CITY** option, may result in termination of this Lease Agreement pursuant to Article 11.

13.3 Any sale or transfer, whether to one or more persons or entities and whether at one or more different times, of a total of fifty percent (50%) or more of the ownership interest in any corporation, partnership, limited liability company or other entity which is then the legal tenant under this Lease Agreement shall be deemed an assignment of this Lease Agreement within the meaning of this Article 13. Any establishment of a separate LLC or other entity by **TENANT**, other than those identified in Exhibit C, to operate on or from the Premises shall be deemed a transfer of this Lease, even if such LLC or other entity is wholly owned by **TENANT** or other entity named in Exhibit C.

13.4 Despite any permitted assignment, subletting or other transfer, **TENANT** shall not be relieved of its obligations under this Lease Agreement but shall continue to remain primarily liable hereunder and shall not be relieved of such liability by an extension of time or other indulgence granted by **CITY** to any transferee, assignee or sublessee or by failure of **TENANT** to receive notice thereof and **TENANT** hereby waives suretyship defenses.

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## ARTICLE 14 - MISCELLANEOUS PROVISIONS

### **14.1 NON-INTERFERENCE WITH OPERATION OF AIRPORT**

14.1.1 **TENANT**, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft at **CITY**'s Airport or otherwise constitute a hazard or interfere with or endanger general operations at the Airport. In the event the aforesaid covenant is breached, the **CITY** reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the **TENANT**, and reimbursement for such **CITY** expense shall be paid by **TENANT** immediately upon **CITY**'s demand therefor.

14.1.2 **CITY** hereby reserves for itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport. In addition, **TENANT** acknowledges that because of the close location of the Premises to the "airfield operations area", that noise, vibration, fumes, debris and other interference with the Premises will be caused by Airport operations. **TENANT** hereby waives any and all rights and remedies against **CITY** arising out of any noise, vibration, fumes, debris and/or interference that is caused by the operation of the Airport. **CITY** reserves the right to enter the Premises for navigational needs.

### **14.2 QUIET ENJOYMENT**

The **CITY** agrees that on payment of the rentals and fees hereunder, and subject to performance and compliance by **TENANT** of the covenants, conditions and agreement on its part to be performed and complied with herein, **TENANT** shall peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities, and of the Leased Premises, to the extent granted herein. It is mutually agreed, however, that this Lease Agreement is made subject to the covenants, requirements and restrictions contained in the Deeds by which **CITY** obtained title to the Airport.

### **14.3 AGREEMENTS WITH FEDERAL GOVERNMENT**

This Lease Agreement is subject and subordinate to the provisions of any agreements that have been or shall be made between the **CITY** and the United States of America relative to the operation or maintenance of the Airport, the execution of which have been or shall be required as a condition precedent to the transfer of Federal rights of property to the **CITY** for Airport purposes, or to the expenditure of Federal funds for the extension, expansion, or development of the Airport, including the expenditure of Federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time (the "Sponsor's Assurances"). **TENANT** agrees to comply with all applicable

## **PROPOSED AGREEMENT**

federal law, regulations and Sponsor's Assurances and to modify or amend this Agreement as required to comply with such applicable laws, regulations and Sponsor's Assurances.

### **14.4 LICENSE FEES AND PERMITS**

**TENANT** shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

### **14.5 SECURITY AGREEMENT**

**TENANT**, at its own cost and expense, shall be responsible for ensuring that all building entrances, gates (Intellikey locks required to be provided by **TENANT** or equal approved by the Airport Security Coordinator), exits, and any access to the Leased Premises are in compliance with the Airport Security Program as required by 49 CFR Part 1542, and any amendments thereto. **TENANT** must control and regulate any doors, openings or entrances to the Security Identification Display Area (SIDA) to prevent unauthorized access by persons and/or vehicles. It shall be **TENANT's** responsibility, at its own cost and expense, to be in compliance with all existing and future security requirements of the Department of Transportation, Transportation Security Administration, and/or the Airport Security Program, and **TENANT** shall hold the **CITY** harmless and shall pay any fines, penalties, cost or expenses incurred by **CITY** or by **TENANT** and arising out of any breach of said security requirements by **TENANT**, its officers, agents, employees, customers, invitee, subtenants, contractors, subcontractors or anyone for whose act **TENANT** may be liable.

### **14.6 PARAGRAPH HEADINGS**

The paragraph headings contained herein are for convenience of reference and are not intended to define or limit the scope of any provision of the Lease.

### **14.7 INTERPRETATIONS**

The laws of the State of Maine shall govern the validity, interpretation, performance and enforcement of this Agreement. Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires. Unless the context specifically provides otherwise, "person" wherever used in this Lease shall include, without limitation, an individual, a sole proprietor, a corporation, a partnership or any legal entity authorized by law.

### **14.8 DISPUTE RESOLUTION**

Except as provided herein for determination of Renewal Rent in Section 4.3, all disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts

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of Cumberland County, State of Maine. Notwithstanding the foregoing, **TENANT** and **CITY** may mutually agree to submit any dispute hereunder to binding arbitration, subject to the following terms and conditions:

14.8.1 A request for arbitration shall be directed to the American Arbitration Association, under its commercial arbitration rules. The jurisdiction and authority of the arbitrator selected and the arbitrator's opinion and award shall be confined exclusively to the interpretation of the express provision or provisions of this Lease at issue between the parties and in accordance with the laws of the State of Maine. The arbitrator shall have no authority to add to, detract from, alter, amend or modify any provision of the Lease Agreement. The arbitrator shall not impose on either party hereto a limitation or obligation not expressly provided for in this Agreement.

14.8.2 The award shall be in writing and shall set forth the arbitrator's findings of fact and conclusions of law in a form sufficient to appraise the parties and any appellate court of the basis for the decision.

14.8.3 The award is subject to review by the Cumberland County Superior Court, sitting without a jury, which may affirm, modify or reverse the award pursuant to 14 M.R.S.A. Section 5927 et. seq. In the event of any conflict between said statute and this Lease Agreement, this Lease Agreement shall prevail.

14.8.4 The review by the court shall be based upon the record of proceedings before the arbitrator, unless the court, by order, provides otherwise. The appellant shall have the responsibility to prepare the record of proceedings and its submission to the court.

### 14.9 NOTICES

Except as otherwise provided in Article 11 for certified mail or hand delivery of notice of default, whenever any notice or payment is required by this Lease Agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, addressed to, or hand-delivered to:

**CITY:**

Airport Director  
Portland International Jetport  
1001 Westbrook Street  
Portland, Maine 04101  
with a copy to:

City Manager  
389 Congress Street

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Portland, ME 04101

and notices, consents and approvals to **TENANT** addressed to, or hand delivered to:

\_\_\_\_\_

Hangar Group, LLC  
Attn: Mr. Allyn J. Caruso, Manager  
1025 Westbrook Street  
Portland, ME 04102

With a copy to:

Lynn Mistretta, Esq.  
Marcus, Clegg & Mistretta, P.A.  
One Canal Plaza, Suite 600  
Portland, ME 04101

or such place as either party shall designate in writing.

### **14.10 ENTIRE AGREEMENT**

This Lease Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the parties and all other representations or statements heretofore made, verbal or written, are merged herein, and this Lease Agreement may be amended only in a writing executed by duly authorized representatives of the parties hereto.

### **14.11 NON-WAIVER**

No waiver by either party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party. The receipt by **CITY** of any rent with knowledge of any breach of this Lease Agreement by **TENANT** or of any default by **TENANT** in the observance or performance of any of the terms, covenants or conditions of this Lease Agreement shall not be deemed to be a waiver of any provision of this Lease Agreement. If any action by **TENANT** shall require the consent or approval of **CITY**, **CITY**'s consent to, or approval of, such action on any one occasion shall not be deemed a consent to, or approval of, said action on any subsequent occasion, or consent to, or approval of, any other action on the same or any subsequent occasion.

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### 14.12 REMEDIES CUMULATIVE

All rights and remedies of the parties herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by either party of any remedy provided herein or allowed by law shall not be to the exclusion of any other remedy.

### 14.13 TIME OF ESSENCE

Time is and shall be of the essence in respect to the performance of each and every provision of this Lease Agreement.

### 14.14 FORCE MAJEURE

Neither the **CITY** nor **TENANT** shall be deemed in violation of this Lease Agreement if either should be prevented from performing any of the obligations hereunder (other than any obligations to make payments) by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. The party claiming Force Majeure shall give prompt written notice to the other party of such event or events, and shall resume performance promptly upon the conclusion of the event or events preventing its performance.

### 14.15 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law. In the event of such invalid provision, there will be added to this Lease Agreement a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

### 14.16 NON EXCLUSIVE RIGHTS

Nothing herein contained shall be deemed to grant to **TENANT** any exclusive right or privilege within the meaning of section 308 of the Federal Aviation Act for the conduct of any activity at the Airport.

Section 14.17 Intentionally omitted.

### 14.18 MEMORANDUM OF LEASE

## PROPOSED AGREEMENT

Either party at the request of the other, shall execute, acknowledge and deliver for recording, a memorandum or short form lease prepared by the requesting party; provided, however, that the relations between **CITY** and **TENANT** shall be governed solely by the provisions of this Lease Agreement and not by any such memorandum or short form lease which may be executed, delivered and recorded.

### 14.19 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Lease Agreement shall extend to and bind the legal representatives, heirs, successors, and any permitted assigns of the respective parties hereto. Nothing herein shall be deemed to authorize or permit any assignment or other transfer, in whole or in part, of the interest of **TENANT** in violation of any other provisions contained in this Lease Agreement.

### 14.20 ASSIGNMENT TO CITY SUCCESSOR IN INTEREST

The **CITY** may assign or otherwise convey its interest, rights, duties and/or obligations hereunder to any airport authority or other successor in interest.

### 14.21 NO PERSONAL LIABILITY

No Councilor, director, partner, officer, shareholder, member, manager, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement, or because of any breach thereof, or because of its or their execution or attempted execution.

### 14.22 AUTHORITY OF PARTIES

14.22.1 **CITY** represents that it has the right to lease said property designated herein as the Airport and the Leased Premises, together with all facilities, rights, licenses and privileges herein granted, and has full power and authority to enter into this Lease Agreement in respect thereof.

14.22.2 **TENANT** hereby makes the following representations as the basis for its undertakings herein contained:

- (a) **TENANT** is a limited liability company duly organized under the laws of the State of Maine; it is wholly owned by Allyn J. Caruso; it is in good standing under the laws of said State; has the power to enter into this Agreement; by proper corporate action has duly authorized the execution and delivery of this Agreement; and is in full compliance with all applicable Maine laws relating to the conduct of its business in Maine; and

**PROPOSED AGREEMENT**

(b) **TENANT** will occupy and possess the Leased Premises subject to the control and jurisdiction of the **CITY** in accordance with the terms hereof.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above mentioned at Portland, Maine.

**WITNESS**

**CITY OF PORTLAND, MAINE**

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
Sheila Hill-Christian, Acting City Manager

**STATE OF MAINE**  
**Cumberland, ss.**

, 2015

Personally appeared the above-named Sheila Hill-Christian, Acting City Manager of the City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the municipal corporation.

Before me,

\_\_\_\_\_  
Notary Public/Attorney at Law

**STATE OF MAINE**  
**Cumberland, ss.**

, 2015

Personally appeared the above-named Allyn J. Caruso, Manager of Hangar Group, LLC, and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of

# PROPOSED AGREEMENT

said limited liability company.

Before me,

---

Notary Public/Attorney at Law

# PROPOSED AGREEMENT

## EXHIBIT A



# PROPOSED AGREEMENT

## EXHIBIT B

**CITY's RFP 4815 and TENANT's response dated FEBRUARY 12, 2015**



## **CITY OF PORTLAND, MAINE**

### **REQUEST FOR PROPOSALS:**

**Construct & Operate a Fixed Base Operation (FBO) Terminal and Provide General  
Aviation Fixed Base Operations**

**RFP NUMBER 4815**



January 5, 2015

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### **EXHIBITS (Provided on CDROM)**

- Exhibit A – Jetport Development Guidelines & Minimum Standards
- Exhibit B - City of South Portland Approval Documents
- Exhibit C - Maine Department of Environmental Protection Site Location Permit
- Exhibit D – Portland International Jetport Spill Prevention and Countermeasure Plan
- Exhibit E – Stormwater Pollution Prevention Plan
- Exhibit F – Wildlife Hazard Management Plan
- Exhibit G – Site Development Plans
- Exhibit H – Site Soils Information
- Exhibit I – Sample Lease Agreement
- Exhibit J – Lease Plan

## INVITATION TO SUBMIT PROPOSALS

The City of Portland (“City”), is soliciting proposals from interested parties to finance, construct, manage and maintain a new general aviation facility at the Portland International Jetport (PWM). Through the Jetport’s master planning process, the need for a second general aviation fixed base operator at the Jetport has been identified. A copy of the current Master Plan Summary can be viewed on the Jetport’s website at: [www.portlandjetport.org/sites/default/files/documents/PortlandSumm.Brochure.pdf](http://www.portlandjetport.org/sites/default/files/documents/PortlandSumm.Brochure.pdf).

Additionally, the Jetport is in the process of updating its master plan through the preparation of a new Sustainable Airport Master Plan. All information associated with this planning process can be found at: [www.thejetport.airportstudy.com](http://www.thejetport.airportstudy.com)

Sealed proposals, addressed to Purchasing, Room 103, City Hall, 389 Congress Street, Portland, Maine 04101, and endorsed on the outside of the envelope with the name of the Proposer, Contract Name and Proposal number will be received until 3:00 PM (prevailing time) on **February 12, 2015**, at which time they will be publicly opened. Late, faxed or electronically submitted proposals will not be accepted. Proposals submitted shall be held open to acceptance for sixty days. Given the extent and unique nature of this proposal, the City of Portland is expected to take several weeks to evaluate each proposal. Interviews may be scheduled at the discretion of the City of Portland.

- PROJECT NAME:** Construct & Operate A Fixed Base Operation (FBO) Terminal and Provide General Aviation Fixed Base Operations.
- LOCATION:** Aviation Boulevard located at the northerly end of Westbrook Street (from Western Avenue in South Portland) and adjacent to the Portland Jetport and Long Creek Youth Center. The location is on airport property owned by the City of Portland, but is located in the City of South Portland on the South side of Runway 11/29.
- OUTLINE OF WORK:** Construction and management of a Fixed Based Operation Terminal and Provide General Aviation Fixed Base Operations consistent with this RFP and Portland International Jetport objectives.

There will be a **mandatory pre-proposal** meeting to review the City's request and to examine the facility at **10:00 am, on Thursday, January 29, 2015**, at the Portland Jetport administration office conference room on the second level of the Jetport Terminal Building at 1001 Westbrook Street, Portland, Maine. City representatives will review the site details and plans. A tour of the FBO site will be provided to attendees if requested at the meeting. All firms interested in submitting proposals are **required to be represented at this meeting**. Due to the complexity of the project, this meeting is required to review the Jetport's objectives, goals, and sequencing of the work and schedule. Only those firms represented at this meeting will be allowed to submit proposals. The City of Portland disclaims any and all responsibility for injury to Proposers, their agents, or to others while examining the Jetport facilities or at any other time.

Eight (8) complete sets (with the original of the eight being so marked) of each firm's proposal are to be submitted in a sealed package plainly marked on the outside as "CONSTRUCT & OPERATE FIXED BASE OPERATION (FBO) AND PROVIDE GENERAL AVIATION FIXED BASE OPERATIONS, RFP 4815". The original copy must include all City provided signature forms, including all addenda, signed with the firm's name, and bearing the hand written signature of an officer or employee having authority to bind the company by his or her signature.

NOTE: All potential Proposers are reminded that information contained in submitted material will become a public record.

The City of Portland is subject to the Freedom of Access law. Under this law, it must make public information which it receives in the solicitation of proposals. The Freedom of Access law does, however, have an exception applicable to "Proprietary Information." In the event that the proposal you submit contains any proprietary information, the City agrees that it will not disclose such information to any third party, and that such disclosure shall occur only if the City is compelled to disclose such information by a final judgment, after giving you the opportunity to litigate the issue. Proprietary information must be submitted in a separate sealed envelope to the City along with your sealed proposal. The outside of the envelope must clearly be marked "proprietary information/confidential. The City agrees that trade secret information will only be viewed by Portland City officials, and will be reviewed only on a "need to know" basis. The information will not be shared with any third party without your express consent or a court order.

Any and all exceptions to this Request shall be clearly and explicitly stated in the firm's submission.

The successful Proposer shall defend, indemnify, and agree to hold the City harmless from all losses, costs or damages caused by his/her acts or those of his/her agents. The Proposer shall be responsible for any and all injury or damages as a result of any services rendered under the terms and conditions of the

contract. The Proposer also agrees to hold the City harmless for any negligent act or omission committed by any subcontractors or other person employed by, or under the supervision of, the Proposer under the terms of the contract. The successful Proposer, before signing the contract, shall produce evidence satisfactory to the City's Corporation Counsel that he/she has secured General Public Liability insurance coverage, including Contractual Liability, in the amounts listed in the Minimum Qualifications Section of this RFP (pages 20-21), for bodily or personal injury, death and property damage, protecting the agency and naming the City as an additional insured from such claims, and Worker's Compensation Insurance. The Proposer shall carry products liability insurance, in the amount of two million dollars (\$2,000,000). This disclaims any and all responsibility for injury to Proposer, their agents or others while examining the job site or at any other time.

The successful bidder shall supply the City with a Performance Bond and Labor and Material Payment Bond, each in the amount of the contract price, guaranteeing one hundred percent (100%) performance of the contract, including the guarantee period and free and clear of any and all liens, attachments and encumbrances. All bonds shall comply with the requirements of Maine state law.

**QUESTIONS:** All questions shall be directed in writing only to the Purchasing Office, City Hall, Room 103, 389 Congress Street, Portland, ME 04101, e-mail MFF@ portlandmaine.gov or fax 207-874-8652 and be received by 12 noon at least five (5) City business days (Saturday, Sundays and Holidays excluded) prior to the opening date. Questions received after this time will not be addressed. Written addenda may be issued when changes, clarifications, or amendments to this document are deemed necessary to document holders registered in the Purchasing Office.

Proposals from firms not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a Proposer receive this Invitation from a source other than the City, please contact 207-874-8654 to ensure that your firm is listed as a Proposer for this bid.

Receipt of any addenda must be acknowledged in writing as part of a proposal. Each bidder shall be responsible for ensuring that they have received any and all addenda. The City shall not assume responsibility for the receipt by the Contractor for any addenda.

**INVESTIGATION OF CONDITIONS:** The submission of a Proposal shall constitute conclusive evidence that the Proposer has investigated all technical specifications, site conditions, the manner and environment in which the FBO will be provided and is aware of circumstances, procedures, and requirements affecting the FBO to be provided. The attention of the Proposer is specifically directed to, and Proposer will be conclusively presumed to have read and become familiar with, all Proposal

Documents. No claim for adjustment of the provisions of the Agreement Documents, and particularly of the FBO fees and/or rent to be paid to the Jetport shall be honored, after the Ground Lease Agreement has been executed by both parties, on the grounds that Proposers were not fully informed as to the conditions which do or could exist. The Attached Form of the Ground Lease Agreement is the Form of Agreement the City contemplates will be executed by the Parties. Any requested changes to this Form of Agreement must be submitted in writing to the City on or before the due date for such proposed changes set forth in the Instructions to Proposers entitled "Proposer's Written Comments." All potential Proposers shall be notified of any proposed changes that are accepted by the City through an Addendum to the Proposal Documents. They shall be included in the Agreement that shall be executed by the successful Proposer, in the event no proposed changes are submitted, or the proposed changes submitted are not accepted by the City and set forth in an Addendum to the Proposal Documents, then the Form of the Ground Lease Agreement as originally proposed by the City shall be executed by the successful Proposer. Notwithstanding the foregoing, the City shall have the right to make nonmaterial changes to the Agreement up to the date of execution by both parties, and shall also have the right to insert the name of the successful Proposer and the applicable fees.

**EQUAL EMPLOYMENT OPPORTUNITIES:** FBO shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37.

**RESERVATION OF RIGHTS:** The City reserves the right to request clarification of and/or solicit additional information of any Proposer, to have Proposer(s) make presentations to the selection committee; and/or to negotiate with any Proposer regarding any terms of their proposal, including but not limited to the cost and/or scope of services, with the intent to achieve the best proposal that shall result in a contract that is deemed by the City to be in its best interest.

The selected firm shall not assign this contract to another without the written permission of the City.

Proposers shall ensure that all information required herein be submitted with the proposal. Provision of inaccurate information or failure to provide all information required may be sufficient cause for rejection of the proposal or rescission of an award.

By submitting a proposal, the Proposer agrees and assures that the specifications are adequate, and the Proposer accepts the terms and conditions herein. Any exceptions shall be noted in the proposal. The City reserves the right to reject any or all proposals based on exceptions presented to the RFP, without obligation to communicate or negotiate with the Proposer.

The City of Portland, Maine, reserves the right to waive any informalities in proposals, to accept any proposal or portions thereof, and to reject any and all proposals, should it be deemed in the best interest of the City to do so. The City reserves the right to substantiate Proposer's qualifications, capability to perform, availability, past performance record and to verify that the Proposer is current in its obligations to the City.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. If your organization prefers to receive payment via electronic transfer rather than by check, please see the web link below\* and include that EFT form with your bid submission. In submitting bids under these specifications, bidders should take into account all discounts; both trade and time allowed in accordance with this payment policy and quote a net price. The City is exempt from the State's sales and use tax as well as all Federal excise taxes.

\* <http://www.portlandmaine.gov/DocumentCenter/Home/View/817>

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Bidders who are delinquent in their financial obligations to the City must do one of the following: bring the obligation current, negotiate a payment plan with the City's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful bidder.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

January 5, 2015

Matthew Fitzgerald  
Purchasing Manager

**PROPOSAL STATEMENT FORM  
CONSTRUCT & OPERATE FBO AND PROVIDE GENERAL AVIATION FIXED BASE  
OPERATIONS AT THE PORTLAND INTERNATIONAL JETPORT  
RFP # 4815**

**\*\* THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL \*\***

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in this Request for Proposals, and that the proposal is made in accordance with the same.

The bidder acknowledges the receipt of Addenda numbered: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

PRINT NAME & TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_ FAX NUMBER: \_\_\_\_\_

TYPE OF ORGANIZATION - PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:  
\_\_\_\_\_

STATE OF INCORPORATION, IF APPLICABLE: \_\_\_\_\_

FEDERAL TAX IDENTIFICATION NUMBER (Required): \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

## **BACKGROUND AND PROJECT SCOPE**

### **1.0 Project History**

The City of Portland began the planning, design and permitting process for a new General Aviation Facility at the southerly end of the Portland Int'l Jetport adjacent to Runway 36 nearly ten years ago. General Aviation is an integral component of the Jetport's overall operation and is recognized as an important service component for the Jetport to efficiently meet its customer's needs. Unfortunately, the 2008 recession and reductions in General Aviation and Airline business resulted in this development being delayed until now. The Jetport is pleased to issue this RFP and looks forward to the development of a second FBO at PWM. The Jetport currently has a Fixed Base Operator (FBO) owned and Operated by Northeast Air at the northeasterly end of the airport adjacent to Runway 18-36. The Jetport remains interested in introducing a second Fixed Base Operator (FBO) at PWM and believes current economic conditions are now favorable for this development.

The site for the FBO development covered under this RFP is comprised from a portion of land the Jetport acquired to manage growth in accordance with the overall Master Plan developed in the mid-1990s. The land acquisition included 70 acres that was part of the former Maine Youth Center (now Long Creek Correctional Facility) and abutted the Jetport. Acquisition of this land, which is located in the City of South Portland immediately adjacent to the Jetport, has allowed the Jetport to provide runway safety areas for the north south runway (18-36) and proceed with the planning and design of this proposed new General Aviation FBO Facility.

The project site is located in the City of South Portland Light Industrial Zone (IL) which allows for aviation facilities and services. The City of Portland has obtained site plan approval from the City of South Portland (Refer to Attachment B) and has completed construction of the access road and a 2 acre Apron as part of an FAA AIP funding.

In addition, a Site Location of Development Act and NRPA permit were filed with the MDEP in February of 2005. A site location order was granted by the MDEP in November of 2005 (Refer to Attachment C) allowing the Jetport to move forward with construction of the South Development GA Apron and Access Road.

### **2.0 Development Area**

The total development area will encompass approximately 11 acres of land area with an impervious surface coverage of approximately 7.5 acres. Land coverage accounts for buildings, roadways, aircraft

parking apron, and taxiway access. This facility is located at the southerly end of the airport near the terminus of Westbrook Street on airport property that was obtained from the State of Maine. The overall parcel obtained from the State of Maine is 70.4 acres, with over half of the land within the aviation easement for Runway 18-36 and constrained by topography and wetlands. The FAA mandated runway setbacks (Building Restriction Line – BRL) allow for the construction of new buildings in the development area, along with aircraft aprons and associated infrastructure. The selected FBO is required to comply with all FAA regulations and requirements of the Airport Layout Plan.

As part of the Jetport's Master Plan, re-alignment of Taxiway Charlie in the area of the FBO site may occur at an unspecified future date. It is expected that the re-alignment may provide for future expansion opportunities. If this occurs, the Jetport will negotiate separately with the FBO for any future expansion. The FBO shall familiarize themselves and fully understand the Master Plan which is available on the Jetport's website ([www.portlandjetport.org](http://www.portlandjetport.org)).

### **3.0 Project Description and General Requirements**

The General Aviation Facility will be constructed, managed and maintained by the selected Proposer<sup>1</sup> as a Fixed Base Operation (FBO). The fixed base operator is expected to provide services to include, but not limited to, the requirements described in the Jetport Minimum standards for an FBO. (Refer to Minimum Standards – Attachment - A). As shown on the enclosed site plans, the General Aviation Facility will include an aircraft apron with Taxi-Lane access onto Taxiway “C” Charlie, building pads for aircraft hangar/operations, and T-hangars for smaller private/corporate aircraft. The layout of the project has been designed to work within the FAA mandated building restriction and object-free areas, and to provide appropriate access for aircraft and service vehicles. The Federal Aviation Administration (FAA) restrictions combined with terrain, wetlands, and runway access result in a development confined to the general area proposed to become the new GA facility.

For this project, the Proposer will be responsible for funding and constructing the entire project under a long-term lease agreement with the City similar to the existing FBO and other airport related businesses that currently exist. In addition, the Proposer must submit as part of the RFP a detailed financial plan, capital investment costs, project phasing and timelines to full-build-out, financial information to accomplish the project, operational plans, Pro formas, qualifications, and a development schedule/work plan. The selected Proposer will be required to provide 100 percent surety bonds to cover all site, building and infrastructure costs. The FBO shall also include a close-out plan with financial guarantees in the event the FBO facility is discontinued. Any transfer of ownership must first be approved by the Jetport.

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<sup>1</sup> “Proposer” is used throughout and depending on the context, may be referring to the “selected Proposer”.

The enclosed site plans suggests seven building envelopes ranging in size from approximately 10,000 square feet to 28,800 square feet. As shown on the enclosed plans, the building areas/envelopes will be oriented along the southerly edge of the development area such that aircraft operations will be screened from Westbrook Street and the abutting properties. This has the advantage of creating a business park appearance along the non-airfield side, keeping aircraft operations screened, and reducing noise propagation. The buildings may be oriented in such a manner that security fencing will be installed to prohibit unauthorized access to airfield operations.

The selected Proposer shall comply with “The Portland International Jetport, Minimum Standards, Development Guidelines, (see attached) and all TSA requirements. The standards provide minimum guidelines that the Proposer must adhere to for facility operations. The Proposer shall also comply with all applicable federal, state and local requirements.

The Proposer is expected to incorporate into the facility provisions for the Maine Civil Air Patrol to purchase or lease space meeting its requirements. In addition, several parties have expressed interest to Jetport Administration for construction of T-Hangers at the Jetport. The Proposer is also encouraged to coordinate and work with these parties to construct the T-Hanger area. As part of the proposal, the Proposer shall indicate what business arrangements have been included or will be included in the GA facility to accommodate the Civil Air Patrol and private parties.

As part of the minimum submittal requirements, the Proposer shall submit a development plan and schedule detailing the timing of the facility construction, phasing (if applicable) and how the Proposer will achieve the minimum requirements of the Jetport Minimum Standards. A time table should detail the corporation’s progression towards meeting the requirements described in the minimum standards and state definitively when all of the requirements for an FBO in the minimum standards will be met. The plan should detail how the corporation plans to meet the Jetport Development Guidelines. The FBO should be specific in how long it will take them to achieve the full build-out of the facility such that it complies with the Jetport Development Guidelines.

#### **4.0 Regulatory Permitting Requirements Summary**

The following provides a general summary of obtained and expected permitting requirements for the project. This summary is issued for the Proposer’s convenience; however, the Proposer is ultimately responsible for any and all permitting requirements including, but not limited to, all associated costs, plans, studies and technical evaluations, permit applications and associated design.

This project is subject to local, state and federal permitting. The selected FBO shall be responsible for obtaining and complying with all applicable permits. The following is a general summary of local, state and federal permitting required for the project. This information is provided for the Proposer's convenience; however, it may not be all inclusive and, therefore, the Proposer remains responsible for any all additional permitting requirements.

1. Maine Department of Environmental Protection (MDEP) Site Location of Development Permit (SLDA). The Portland Jetport currently has a SLDA permit from the MDEP (permit numbers L-13760-18-AA-M, L-13760-18-R-A, L-13760-31-S-N and L-13760-18-AG-A). The Proposer must comply with the conditions and requirements of these permits. A copy of this application and permit drawings is on file at the Portland Jetport's Manager's office. The Proposer will be required to construct the facility in accordance with the approved design requirements of the SLDA permit to be issued. Any deviation from these requirements shall require a permit modification from the MDEP. The selected Proposer will be responsible for all permitting and costs associated with any modifications. In addition, the MDEP may inspect the site during construction. The selected Proposer shall be responsible all costs associated with any compliance issues. In addition, the Proposer shall be responsible to provide the City of Portland Jetport with documentation sufficient to comply with the conditions of approval within the SLDA permit. The Proposer shall be responsible for filling all necessary condition compliance applications and modification applications with the MDEP.
2. Maine Department of Environmental Protection (MDEP) Natural Resources Protection Act Permit (NRPA). The Portland Jetport has obtained an NRPA permit with the MDEP for wetlands alteration associated with construction of the GA facility. The Proposer must comply with the conditions and requirements of this permit. A copy of this application and permit drawings is on file at the Portland Jetport's Manager's office. Any deviation from these requirements shall require a permit modification from the MDEP. The selected Proposer will be responsible for all permitting and costs associated with any modifications. In addition, the MDEP may inspect the site during construction. The selected Proposer shall be responsible all costs associated with any compliance issues.
3. Maine General Construction Permit Notice of Intent (NOI). This must be filed by the contractor at least 14 days prior to the start of construction. The selected Proposer shall be responsible for filing this permit including fees and compliance with requirements of this permit application. The Proposer shall pay special attention to the erosion and sedimentation requirements of the SLDA permit and as provided on the site drawings.

4. City of South Portland, State Fire Marshal's and MDEP approval for fuel storage tanks.  
The selected Proposer is responsible for all costs including, but not limited to, the design, permitting and construction of an above ground fuel storage facility in compliance with local, state and federal regulations. The City of South Portland has limited the amount of on-site fuel storage to 50,000 gallons. In addition, the City of South Portland Fire Department maintains specific regulations and permitting requirements for fuel storage areas. Approval from the State of Maine Fire Marshal's office and MDEP is also required and is the sole responsibility of the selected Proposer.
5. City of South Portland Site Plan Approval. The selected Proposer will be required to obtain any required City of South Portland approvals for the proposed buildings and final site plan layout. The City of Portland has obtained a conditional site plan approval and zoning change for the general facility concept and access road. The selected Proposer will be responsible for all costs associated with the supplemental permitting, impact fees and any engineering or plan modifications. Any plan revisions or modifications to the site layout plans, must also be coordinated and approved by the City of Portland. The Proposer shall be fully familiar with the City of South Portland approval (See Attachment B) and take full responsibility for compliance with the approval.
6. Building permits. The selected Proposer is responsible for securing all necessary local, state and federal building permits. This includes filing required information with the FAA.
7. Coordination and permitting with the Portland Pipeline Corporation. The selected Proposer is responsible for securing all necessary approvals for crossings and work adjacent to the Portland Pipeline easement. The City of Portland has already been in communication with the Portland Pipeline Corporation and has received authorization to cross the pipeline as shown on the provided site drawings. The Proposer shall obtain and comply with the Portland Pipeline Construction guidelines and requirements.
8. Spill Prevention Contingency and Control Plan. Proposer shall have an approved written Spill Prevention Contingency and Control Plan ("SPCC Plan") that meets all applicable Regulatory Measures for the facility. The Portland Jetport Maintains a SPCC plan (see attached). The Proposer shall adhere to all requirements of the Jetport's SPCC plan and shall supplement as specifically required for this project. The Jetport also maintains and updates yearly a Spill Prevention Control and Countermeasure Plan (SPCC Plan) and Stormwater Pollution Prevention Plan. The Proposer shall be responsible for fully

understanding and following the requirements of the plans including future updates (Refer Attachment D and E). The Jetport also commissioned a Wildlife Hazard Management Plan (see attachment F) that the Proposer shall adhere to.

9. Jetport Administration review and approval. Proposer shall be responsible for coordination with the Jetport Operations Manager and Airport Manager during any and all project permitting. Both must approve and review all permit applications prior to filing.

## **5.0 Facility Construction and Design Requirements:**

The Portland Jetport has developed permit level site plans for the GA facility as part of the MDEP SLDA permit modification and limited site planning approval through the city of South Portland. These plans provide the general design and construction parameters for the project. The Proposer is solely responsible for modifying the current design, if needed, and all coordination/compliance with FAA standards.

The Jetport has completed construction of the GA Apron and Access Road. Enclosed are As-Built Plans for the proposer's convenience.

The Jetport has also constructed a public aircraft observation area accessed via the first curb cut off Aviation Boulevard on the lots nearest to Westbrook Street. The proposer shall ensure the aircraft observation area remains and is integrated into the project. The proposer may modify the layout and construction of the observation area to accommodate facility but shall accommodate the observation area with similar parking capacity to what currently exists.

The Proposer is also responsible for preparing and filing all necessary Form 7460's with the FAA.

The plans prepared for the GA facility and appended to this RFP depict the limits and extent of improvements. These plans are intended as permit level drawings only and have been used for applications to the MDEP and City of South Portland. The selected Proposer shall be responsible for final construction drawings of the facility. Use of the permit level drawings for construction shall be at the FBO's risk. The construction drawings must be consistent with the limits and design of the GA facility shown on the provided plans including, but not limited to, the proposed stormwater and erosion control infrastructure, grading and finish grades, building pad locations, notation, and general and specific requirements.

The Proposer shall prepare and submit technical specifications compliant with FAA and Jetport construction standards (See Jetport Development Guidelines). The contract specifications shall include provisions to insure quality of work and that the work does not damage private property or create any hazard to aircraft operations. The Proposer shall be responsible for all construction oversight, security, quality control and quality assurance, and coordination with the Jetport Operations Manager, Jetport Security personnel and Jetport Manager. The Proposer's selected site and building contractors shall be subject to all FAA and Jetport regulations. The FBO shall be fully liable and assumes responsibility for all activities, their employees and actions, including subcontractor employees and actions.

The Proposer shall be responsible for their own geotechnical services for building foundations and to verification of the aircraft apron and infrastructure design. Soils and geotechnical information provided with this RFP are for the Proposer's convenience and general information. The Proposer remains responsible for verification of the site soil conditions and all necessary design and construction modifications. Utility services stubs will be provided to the Right-of-Way limit shown on the plans. The Proposer will be responsible for all utility approvals, fees, coordination, connections, design and construction to the buildings. The Proposer is cautioned that there will be multiple utility and development fees involved including, but not limited to, water connection and metering, electrical/telephone/cable, City of South Portland Sewer connection fees and traffic impact fees, building permit fee's, impact fees, and supplemental permitting.

Prior to construction, the Jetport must approve the Proposer's final design plans and technical specifications. Review by the Jetport is for general compliance with airport operations, and general compliance with the GA facility program requirements and RFP. The selected Proposer remains responsible for final design and construction of a facility consistent with all applicable permits, FAA regulations, Jetport minimum standards, and state and local regulations.

The Proposer must show in their proposal that they will construct a facility that meets all of the requirements of an FBO (see minimum standards) within a specified amount of time. If the Proposer does not meet all of those requirements by the specified date, they will not be allowed to operate as an FBO on the field.

The Proposer shall be responsible for paying for and having on-site inspections and quality control throughout project construction, including all materials testing. The Proposer shall provide the Jetport with a detailed construction schedule, 24 hour contact list, and QA/QC plan, including site and building construction specifications paid for by the Jetport. The Jetport will also have an independent construction inspector on site as needed. The Proposer shall fully cooperate with the Jetport's construction manager/inspector throughout construction. The Proposer shall arrange for and hold weekly meetings at

the project site, including all key personnel and Jetport Operations Manager and/or designee. The Proposer shall keep construction records that shall be bound, including photographs, daily construction reports, materials testing, compaction testing, pavement testing, concrete and other related testing that shall be provided to the Jetport at the end of construction. The Proposer shall also complete a field as-built survey of the facility by controlled on-the-ground survey, including locations of all buildings and physical improvements along with site grades, utilities and invert information. The plans shall be provided as a hard copy (Mylar) and electronically (AutoCAD format) to the Jetport Administration. The Proposer shall be responsible for updating the as-builts as additional improvements are completed.

## **6.0 Facility Access**

The property has frontage on Westbrook Street near its cul-de-sac terminus. Aviation Boulevard, a roadway of approximately 900 feet in length, has been constructed by the City to provide access to the development site. This roadway was constructed to the City of South Portland roadway standards and is expected to be accepted as a South Portland public road a part of this FBO development. Until such time, the Proposer shall be responsible for roadway maintenance, upkeep and repairs. All fuel deliveries must be from Jetport Plaza Roadway. No deliveries are allowed from Westbrook Street per the City of South Portland.

## **7.0 Lighting, Landscaping and Signage**

Once a Proposer is selected, separate site plan approvals from the City of South Portland will be required for the buildings should buildings differ from already permitted facilities. At this time, additional landscaping will be required along the non-airfield side of the building frontage facing the access road. Building lighting will also be reviewed at this time. Future building lighting will be required to comply with requirements of the City of South Portland and FAA/Jetport for the airfield side. Building lighting facing the non-airfield must be cut-off luminaries and lighting on the airfield side will provide safety lighting for the apron and aircraft movement areas. Taxi-lane lighting may also be installed which is typically limited to ground mounted low level lighting consistent with taxiway and runway demarcation.

All building and site signage shall be approved by the City of South Portland and Jetport. All signage must comply with applicable local, state and federal requirements. Airfield side signage must adhere to the Portland Jetport standards and comply with FAA requirements. Airfield signage must be approved by the Jetport Authority. Pavement and Apron markings shall also be subject to the City of South Portland and Jetport authority approvals.

## **8.0 Parking and Facility Access**

The facility includes the previously constructed 900 foot access road, Aviation Boulevard, that will provide access to the facility. The access road was completed by early summer of 2007. Three points of access shall be provided along the roadway to the building, air operations, and parking areas. These points of access have been established for the separate uses and to accommodate physical barriers. Secure gates shall be installed at the airfield perimeter using the Intelli-Key system that has been implemented at the Jetport. The Proposer shall work with the City of Portland and South Portland Fire Department to ensure appropriate facility access and response. Joint meetings have already been held during the planning process to develop a memorandum of agreement between the City of Portland and South Portland fire departments for response. The City of Portland maintains a full-time Air Rescue Fire Fighting (ARFF) staff and equipment for emergency response. It is understood that Jetport ARFF will be the first responder to any airside emergencies.

Public parking will be provided exterior to the secure areas. These parking areas have been located adjacent to the building areas and provide parking for both employees and visitors at the facility.

## **9.0 Stormwater Management**

As part of this development, a stormwater management system will be constructed to collect and treat stormwater runoff from the development area. The stormwater system has been designed to include a subsurface storm drainage system to collect and convey surface water to proprietary structures to achieve a minimum of 40% TSS removal consistent with the sliding scale for TSS removal. In regard to stormwater quantity, this project is located within property under ownership by the Portland Jetport that conveys surface drainage to the tidal waters of Fore River. As a result, no formal stormwater detention is needed, since the project discharges directly into tidal waters of the ocean. The stormwater management system was reviewed and approved as part of the MDEP Site Location Permit. The Proposer is responsible for construction of the stormwater system in accordance with the MDEP approval and stormwater plan. The stormwater treatment unit must be installed as part of any phased construction. Any modifications must be approved by the MDEP and shall be the entire responsibility of the Proposer. The Proposer is responsible for all maintenance/costs of the stormwater system in accordance with Jetport regulations and the MDEP approval.

## **10.0 Wetland Alteration**

Project develop will occur within an open field area that was previously agricultural land. The area selected for the GA facility is predominantly upland. Wetland impact associated with this portion of development will be limited to a small drainage swale collecting surface water that is conveyed to a culvert

system associated with the Jetport. The total impact on wetland is calculated to be approximately 1,800 square feet. The 1,800 square feet of wetland impact has been included and mitigated for in the Jetport's overall NRPA permit application. No further wetland alteration is permitted.

#### **11.0 Provided Site Design and Construction Plans:**

The enclosed site development plans depict minimum requirements of the General Aviation Facility and were utilized during the MDEP and City of South Portland Permitting process. The plans are intended as a general layout plan for the Proposer to utilize in the planning and proposal preparation. The access roadway depicted on the plans will be constructed by the Jetport and is expected to be completed by early summer 2007. Roadway construction will include utility services stubbed to the Right-of-Way limit and curb cuts for driveways to the General Aviation Facility. All other work will be the responsibility of the Proposer.

The site plans are provided solely for the Proposer's convenience and depict the intent of the FBO. The selected Proposer shall assume full responsibility for the plans and indemnify, defend and hold harmless the City of Portland, its officers, employees and its designer from all claims, losses, damages, expenses and costs, including all attorneys' fees that may arise from their use or reuse. The Proposer may propose modifications to the plans if deemed necessary to accommodate the project, but is responsible for all engineering, design, permitting, and state, local and federal approvals.

Additional design and planning services are expected and will be the responsible of the Proposer to develop construction drawings.

#### **12.0 Facility and Grounds Maintenance**

The Proposer shall be responsible for all facility and grounds maintenance including, but not limited to, winter operations, utility infrastructure, buildings, landscaping, lighting, fuel storage areas, and maintenance activities to comply with local, state and federal regulatory/permit requirements. The Proposer shall provide the Jetport with a maintenance plan for review and approval. The Proposer shall take special notice to the requirements of the MDEP site location permit for maintaining the stormwater infrastructure.

#### **13.0 Security**

The project will require special security considerations during and after construction. Facility construction will require relocation of the perimeter security fence and Jetport service road within the airfield. The

Proposer will be required to erect temporary fencing during construction and comply with all FAA/TSA and Jetport security requirements. In addition, provisions shall be made to maintain access during relocation of the airfield perimeter road and taxi-lane construction. Access gates with keyed systems approved by the Jetport must be installed in the locations show on the provided site drawings. Deviations from this plan must first be approved by the Jetport.

It is anticipated that building construction will require secure building side access. The Proposer shall provide building security and access consistent with Jetport, TSA and FAA requirements. The Proposer shall coordinate all work and obtain authorizations from the Jetport authority.

All personnel must obtain security badges from the Jetport for airfield access.

#### **14.0 Jetport Minimum Standards and Development Guidelines**

The Proposer is responsible for compliance with the Jetport Minimum Guidelines and Development Standards appended to this RFP. In the case of conflict between any of the standards or information contained in this RFP, the more restrictive shall apply unless otherwise approved by the Jetport.

## MINIMUM QUALIFICATIONS AND PROPOSAL TERMS

### 1. Minimum Qualifications

Each Proposer shall, at the time a Proposal is submitted, furnish the Jetport satisfactory evidence of its financial responsibility and competency to operate the FBO. In order to be considered qualified; each Proposer shall meet the following minimum qualifications:

MINIMUM QUALIFICATION FORM (Appendix A): Each Proposal must be accompanied by a completed "Minimum Qualifications Form", including required attachments, concerning both the Proposer's experience in running a fixed base operation. All information must be complete, accurate and in the form requested. The Qualification Form may be found in Appendix A of this RFP. The Qualifications Form may be reproduced for ease of preparation, provided it is reproduced in its entirety.

Any Proposer (or its principal owner or predecessor in interest, or, in the case of a joint venture, at least one joint venture partner with at least 40% interest in the joint venture) must meet all of the following eligibility criteria:

- It must have been in continuous existence providing services consistent with those described in the Jetport Minimum Standards for at least the last 5 years; and
- The business must have generated annual business volume in one of the last three years equal to or greater than \$8,000,000; and
- Proposer must demonstrate to the satisfaction of the Jetport that it has the financial resources to finance, develop, construct and operate a FBO as contained in this Proposal.
- No single entity will be allowed to operate more than one FBO facility at the Portland International Jetport (See item 12 in this section)
- A minimum capital investment for this Project of \$4,000,000.

### 2. Term of Agreement

The successful Proposer will be required to enter into a long term negotiated lease agreement with the City of Portland. It is expected the lease will have an initial 20 year term with an option for up to an additional 20 years.

### 3. Insurances

The successful proposer shall agree to defend, indemnify and save the City of Portland, its officers and

employees harmless from all losses, costs or damages caused by its acts or those of its officers, employees, agents, contractors or subcontractors, or invitees, and, before signing the contract, will produce evidence satisfactory to the Corporation Counsel of the City of Portland that it has secured insurances in accordance with the “Jetport Development Guidelines and Minimum Standards” (see attached). The successful Proposer shall furnish and thereafter maintain certificates evidencing such coverage. FBO shall notify the City within thirty (30) days of termination from FBO’s insurance company or agent. The City disclaims any and all responsibility for injury to contractors, their agents, their subcontractors, if any, or to others while examining the job or at any other time. The amounts of the insurances shall be as stipulated in the Jetport’s “Minimum Standards.”

Environmental Impairment (Pollution) Insurance: This insurance shall cover Proposer for liability resulting from pollution or other environmental impairment arising out of, or in connection with, work performed under this Agreement, or which arises out of, or in connection with, the use or occupancy of City of Portland premises in connection with this Agreement. If this policy is on a claims-made basis, the insurance must respond to claims reported within three years after the termination of this Agreement. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be: Each Claim \$2,000,000 and Annual Aggregate \$4,000,000

Aviation Liability Insurance: This insurance shall cover FBO for liability, including liability to passengers or resulting from the ownership, operation, maintenance or use of any aircraft on, or in connection with any premises. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be: Each Occurrence – Combined Single Limit \$10,000,000

Property Insurance: This insurance shall cover any existing, or hereafter constructed (including while under construction) buildings, structures, or any other improvements to real property located on real property leased, rented or otherwise demised by City Of Portland to FBO under this Contract. Each Occurrence – Combined Single Limit \$10,000,000

#### **4. Construction Bonds**

The FBO shall supply the City of Portland with a Performance Bond, Labor and Material Payment Bond, each in the amount of the site and building construction costs, guaranteeing one hundred percent (100%) performance and payment of the project, including the guarantee period and free and clear of any and all liens, attachments and encumbrances. The City reserves the right to substitute a letter of credit covering the required site plan improvements. All such bonds shall comply with the requirements of Maine State law. The FBO shall provide waivers of lien, signed by individual subcontractors. Any mechanic’s lien or any other lien which may be filed against the premises which are the subject of the contract by reason of

the work described herein shall be defended (by counsel reasonably acceptable to the City) and promptly discharged by the FBO at its own expense. If the FBO should fail either to defend the City against the lien or to discharge it, then the City may do so at the FBO's expense. In the event of such an undertaking by the City, the FBO will promptly reimburse the City for all its costs and expenses in so doing including, but not limited to, reimbursement of the City's reasonable counsel fees and costs which may be incurred by it in substituting a bond in place of the lien. Materials and equipment purchased for permanent installation in this project are NOT exempt from the State of Maine Sales and Use tax and from all Federal Excise taxes.

**5. Safety**

The contractor shall erect and maintain, at all times, any and all safeguards necessary for the protection of life and property of all pedestrian and vehicular traffic.

**6. Payment to City of Portland**

For the rights and privileges granted herein, the successful Proposer agrees to pay ground rent on all landside and building pad areas. The ground rent shall be paid directly to the City of Portland by the 5<sup>th</sup> of each month in full. Ground rent shall commence once the FBO obtains the certificate of occupancy for any building structure and upon completion of any and/or all aircraft apron areas. Ground rents will not be charged for unimproved building pads.

Current Ground lease rates are 25 cents per square foot for landside areas and building pads. All rates will be adjusted on July 1 each year per CPI.

The FBO will pay the airport 2% of gross revenue for all activities conducted by the FBO per the Jetport Minimum Standards. If changes are made to the Jetport's Primary Guiding Documents (General Provisions, Lease/Rates and Charges GA, Minimum Standards, Rules and Regulations, Development Guidelines, Definitions, Rates/Charges Schedule, and Land Use Plan) these changes shall apply to the successful bidder in the future.

Please see the attached ground lease plan for details relating to ground rent.

**7. Non-Exclusivity of Agreement**

The successful Proposer understands and agrees that any resulting contractual relationship is nonexclusive and the City of Portland reserves the right to seek similar or identical services elsewhere if deemed in the best interests of the City Of Portland.

**8. Collusion**

Proposals may be rejected if there is reason for believing that collusion exists among Proposers, and no participant in such collusion will be considered in any future proposals for the operation of any concession for the next six (6) months following the date of the Proposal submission.

**9. Governance**

If any of the language or information in this Proposal is in conflict with other sections of the proposal, "The Jetport Development Guidelines and Minimum Standards" and/or any local, state or federal regulation the Jetport Administration shall make a determination based upon the intent of the RFP and Jetport objectives. The determination shall be binding and final.

**10. Public Disclosure**

All information received by the City will become a public record, and therefore available for viewing by the public. Proprietary business or financial information should be segregated from the main proposal and marked as such, in order to be protected from public view, as provided in Maine Law, 5 MRSA sections 13119-A and 13119-B.

**11. Indemnification**

The selected Proposer will be required to enter into appropriate indemnification and insurance provisions with the City of Portland through the negotiated Lease Agreement. The selected Proposer will be required to defend, indemnify and hold the City harmless from any claims resulting from its negligence, or the negligence of its officers, employees, agents, contractors, subcontractors, invitees or anyone else for whom it may be legally liable.

**12. Competition Clause**

The Portland Jetport currently has one FBO located adjacent to the existing general aviation ramp. This project is intended to introduce a second FBO to the airport to provide complimentary services offering prospective users a choice of services to select from. As a result, no single FBO will be allowed to operate more than one FBO facility at the Portland International Jetport. It is the goal of the city of Portland to have two successful FBO's operating at the airport. As a result, a factor in the evaluation of the proposals will be the Proposer's plan to co-exist and promote two successfully operating FBO's at the

Jetport.

## MINIMUM PROPOSAL SUBMITAL REQUIREMENTS

The Proposer must provide a detailed submittal including the following minimum items:

- A. Qualifications and Experience – The Proposer must submit a detailed description and summary of the Proposer's qualifications to construct and operate a FBO/General Aviation Facility. The qualifications shall include past experience, resumes of key personal, prior project profiles, listing of current operations similar to those described in the Jetport minimum standards for a FBO, listing of Proposer's capabilities to manage and operate the various aspects of a General Aviation Facility. List the number of years of experience proposer has had in the operation of activities described in the Jetport minimum standards for a FBO and provide a listing of all airports which Proposer's organization has conducted these types of activities. (Attach separate sheet, if necessary): a) Airport Name; b) Location; c) Dates of Operation; d) A detailed description of services provided.
- B. Submit a development plan and schedule detailing the timing of the facility construction, phasing (if applicable) and how the Proposer will achieve the minimum requirements of the Jetport Minimum Standards. A time table should detail the corporation's progression towards meeting the requirements described in the minimum standards and state definitively when all of the requirements for an FBO in the minimum standards will be met. The plan should detail how the corporation plans to meet the Jetport Development Guidelines. The FBO should be specific in how long it will take them to achieve the full build-out of the facility such that it complies with the Jetport Development Guidelines.
- C. References and contact information.
- D. Listing and qualifications of all teaming partners.
- E. Disclosure of any current or prior (within 10 years) defaults on any projects, current status and reasons for defaults.
- F. Disclosure of any current, pending or on-going legal suits against the Proposer or any teaming partners.
- G. Full listing with contact information for any teaming partners or subconsultants and contractors.

- H. Development Plan and schedule detailing the timing of the facility construction, phasing (if applicable) and how the Proposer will achieve the minimum requirements of the Jetport Minimum Standards. A time table should detail the corporation's progression towards meeting the requirements described in the minimum standards and state definitively when all of the requirements for a FBO in the minimum standards will be met. The plan should detail how the corporation plans to meet the Jetport Development Guidelines.
- I. The Proposer must submit a comprehensive financial business plan detailing how the Proposer will finance the construction, operation, management and maintenance of the facility. The financial plan must include a detailed Pro forma including all projected sales and revenues along with a break-even analysis, income projections (10 year projection) with a listing of all assumptions and sources of income, minimum length of time to recapture a return on the investment. **A budgeted income statement, balance sheet and cash flow statement must be provided for the first 10 years, support information from current business should also be provided.** The Proposer must also disclose all sources of financing for the project including contact information and shall demonstrate that the Proposer has the ability to meet all liabilities. Provide a statement, satisfactory to the City of Portland, which demonstrates the Proposer's financial responsibility, from a bank or trust. The Proposer shall also provide the latest available fiscal statements certified by an Independent Certified Public Accountant. Note that the City of Portland may retain a financial consultant to evaluate the Proposer's financial capability to undertake the project. The City further reserves the right to request additional information if the City deems it necessary to verify the financial capability of the Proposer to undertake the project. Include charts and graphs that clearly detail the financial business plan.
- J. The Proposer must provide a complete and detailed narrative description of the Proposer's scope of operations, setting forth specifically each business activity proposed and the scope of such activity. Include proposed fees and charges.
- K. Attach a complete and detailed narrative description of the Proposer's customer service plan that includes the ability to meet the needs/requests of customers as well as a means for resolving customer complaints.
- L. Attach a complete description of the Proposer's proposed management structure and operating personnel schedule. Identify the individual that will be the primary day-to-day

contact on this project. Include resume(s), outlining the experience and qualifications, of the personnel Proposer would assign to FBO.

- M. Attach a complete description of the marketing program Proposer plans to use in attracting general aviation activity to the CITY OF PORTLAND. Include Proposer's estimated annual advertising budget.
- N. Submit proof of the ability to meet insurance limits from Proposer's insurance company.
- O. Attach any other background information about the qualifications and experience of Proposer's organization or personnel that may be useful to the City Of Portland in evaluating your capabilities.
- P. Plans and Sketches describing the type of buildings and hangars to be built including elevations and conceptual floor plans.
- Q. Site plans and sketches if the Proposer intends to substantially deviate from the layout plan included with this RFP.
- R. Complete and submit the proposal form.

## **ADDITIONAL REQUIREMENTS AND CONDITIONS OF THE PROPOSAL**

### **Prior Contamination**

Nothing in this RFP shall be construed to make Proposer liable in any way for any contamination or release of Hazardous Substances (as defined below) affecting the Premises that occurs prior to the entry upon or occupancy of the Premises by FBO or that occurs as a result of the actions of the City Of Portland or any of its employees, agents, or contractors.

### **Installation of Underground Tanks**

FBO shall not be permitted to install underground storage tanks of any kind.

### **Compliance with Laws, Regulations, Ordinances, Rules**

Proposer and its subcontractors shall at all times comply with applicable federal, State, and local laws and regulations, Airport rules, regulations and operating directives as are now or may hereinafter be prescribed

by City Of Portland, all applicable health rules and regulations and other mandates whether existing or as promulgated from time to time by the federal, State, or local government, or City Of Portland including, but not limited to, permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other operational matters related to the operation of the Airport. Proposer, its officers, employees, agents, subcontractors, and those under its control, shall comply with security measures required of Proposer or City Of Portland by the Federal Aviation Administration ("FAA"), or Transportation Security Administration ("TSA"), contained in any Airport master security plan approved by the TSA to include an Airport Tenant Security Program as outlined in TSA 1540 and 1542, as amended, respective to Proposer's Premises. If Proposer, its officers, employees, agents, subcontractors or those under its control shall fail or refuse to comply with said measures and such noncompliance results in a monetary penalty being assessed against City Of Portland, then, in addition to any other remedies available to City Of Portland, Proposer shall be responsible and shall reimburse City Of Portland in the full amount of any such monetary penalty or other damages. This amount must be paid by Proposer within ten (10) days of written notice.

### **Governmental Inclusions**

The Premises and the Airport are subject to the terms of those certain Sponsor's (City of Portland) Assurances made to guarantee the public use of the Airport as incidental to grant agreements between City Of Portland and the United States of America as amended; and, City Of Portland represents that none of the Provisions of this Agreement violates any of the provisions of the Sponsor's Assurance Agreement.

### **Right to Develop Airport**

It is covenanted and agreed that City Of Portland reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Proposer or its subcontractors and without interference or hindrance.

### **Right of Flight**

City Of Portland reserves, for the use and benefit of the public, a right of flight for the passage of aircraft in the City of Portland above the surface of the real property owned by City Of Portland, including the Premises, together with the right to cause in said City of Portland, such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said City of Portland, and for use of said City of Portland for landing on, taking off from or operating on Airport.

Proposer expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects

of natural growth and other obstructions on the Premises to such a height so as to comply with Federal Aviation Regulations, Part 77 and City Of South Portland's height zoning. FBO further expressly agrees for itself, its successors and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of Airport, or otherwise constitute an Airport hazard.

**Property Rights Reserved**

This Agreement shall be subject and subordinate to all the terms and conditions of any instruments and documents under which the City Of Portland acquired the land or improvements thereon, of which said Premises are a part. Proposer understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future Agreement between City Of Portland and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

## **EVALUATION AND SELECTION PROCESS**

### **1. Objective**

It is the City Of Portland's intention to solicit Proposals from qualified Proposers; to evaluate their Proposals; to negotiate terms; and to award a contract to the Proposer whose Proposal is determined to serve in the best interest of the Portland International Jetport owned and operated by the City of Portland

### **2. Evaluation and Recommendation**

An evaluation committee, consisting of City Of Portland staff and any outside resource chosen by City Of Portland, will review and evaluate all Proposals received by the submittal date as set forth in this RFP, or as amended by addenda. The City Of Portland reserves the right to request additional information and clarification of any information submitted, including any omission from the original Proposal.

The following evaluation criteria have been established in determining which Proposer will best contribute to the overall goals of the Portland International Jetport and City of Portland.

#### Evaluation Criteria:

1. Experience and Responsiveness to the RFP	25%
2. Financial and Business Plan	50%
3. Proposed FBO's Improvements, Construction & Delivery of Services	25%

The City Of Portland may schedule interviews as part of its evaluation process. If the Proposer's firm is invited to interview with the Evaluation Committee, the Proposer will be required to make a presentation and bring key members of the Proposer's team to the interview.

### **3. Selection**

The selection and approval of the successful Proposer shall be made by the City Of Portland in accordance with its competitive selection process. The Evaluation Committee will evaluate Proposals on the basis of the guidelines set forth in this RFP. As stated herein, the RFP shall in no manner be construed as a commitment on the part of the City of Portland to award a contract. The City reserves the right to reject any or all proposals; to waive minor irregularities in the RFP process or in the responses thereto; to re-advertise this RFP; to postpone or cancel this process; and to change or modify the RFP schedule at any time.

**4. Lease Execution:**

Upon selection of an FBO the City will prepare a Lease agreement for execution between the City of Portland and selected FBO. A sample lease is attached hereto for the information of the Proposers, but the City reserves the right to negotiate the terms of a final lease document. The final lease will be subject to approval by the Portland City Council.

**EXHIBITS (Provided on Disc)**

Exhibit A - Jetport Development Guidelines & Minimum Standards

Exhibit B - City of South Portland Approval Documents

Exhibit C - Maine Department of Environmental Protection Site Location Permit

Exhibit D - Portland International Jetport Spill Prevention and Countermeasure Plan

Exhibit E - Stormwater Pollution Prevention Plan

Exhibit F - Wildlife Hazard Management Plan

Exhibit G - Site Development Plans

Exhibit H - Site Soils Information

Exhibit I - Sample Lease Agreement

COPY

Proposal in Response to  
Request for Proposal #4815

Construct and Operate a Fixed Base Operation (FBO) Terminal  
And Provide General Aviation Fixed Based Operations at the Portland  
International Jetport (PWM)

February 12, 2015



Allyn J. Caruso, President & Chief Operating Officer, MAC Air Group, LLC  
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**\*\* THIS SHEET MUST BE INCLUDED IN YOUR PROPOSAL \*\***

The undersigned hereby declares that he/she or they are the only person(s), firm or corporation interested in this proposal as principal, that it is made without any connection with any other person(s), firm or corporation submitting a proposal for the same, and that no person acting for or employed by the City of Portland is directly or indirectly interested in this proposal or in any anticipated profits which may be derived there from.

The undersigned hereby declares that they have read and understand all conditions as outlined in the Request for Proposals, and that the proposal is made in accordance with the same. The bidder acknowledges the receipt of Addenda numbered: #1

COMPANY NAME: Maine Aviation Corporation (MAC) dba MAC Air Group

AUTHORIZED SIGNATURE: 

DATE: 2/11/15

PRINT NAME AND TITLE: Allyn J. Caruso, President and Chief Operating Officer, MAC Air Group

ADDRESS: 1025 Westbrook Street, Portland, Maine 04102

E-MAIL ADDRESS: acaruso@maineaviation.com

PHONE NUMBER: 207.780.1811 | 888.359.7600

TYPE OF ORGANIZATION – PARTNERSHIP, CORPORATION, INDIVIDUAL, OTHER:

Corporation

STATE OF INCORPORATION, IF APPLICABLE: Maine

FEDERAL TAX IDENTIFICATION NUMBER (Required): 01-0248834

AUTHORIZED SIGNATURE: 

DATE: 2/11/15

NOTE: Proposals must bear the handwritten signature of a duly authorized member or employee of the organization submitting a proposal.

## B. Company's Qualifications

### B.1. Overview

Maine Aviation Corporation dba MAC Air Group ("MAC" or "the Company") and its commonly owned affiliate, Hangar Group, LLC ("HGL") are pleased to submit a joint proposal in response to the City of Portland's RFP # 4815, "Construct and Operate a Fixed Base Operation (FBO) Terminal And Provide General Aviation Fixed Based Operations at the Portland International Jetport (PWM)" and together are to be considered as the Proposer ("the Proposer.")

Allyn and Alysian Caruso (the "Proposers") have successfully built on the foundations of a family business first established in the late 1940s in Bar Harbor, and expanded to Portland International Jetport in 1959. At present, MAC operates all aspects of a major FBO, except aircraft refueling and ramp services. HGL owns and leases out a hangar on the field. The Proposers currently have a commitment letter from a leading bank which recognizes it has the financial capability to successfully finance and complete the proposed new FBO facility being considered under RFP 4815.



The plan is for HGL to oversee construction of the new general aviation Fixed Base facility ("New FBO Complex"), and MAC will enter into a long-term lease agreement to lease the facility from HGL. MAC will operate a full service FBO, meeting or exceeding the Minimum Standards of the Portland International Jetport. To facilitate this, MAC will establish a new business unit to engage in aircraft refueling and ramp services, complementing its already existing product lines encompassing aircraft charter, aircraft maintenance, and aircraft sales.



The Proposers are well-qualified and experienced in terms of developing and managing aviation enterprises in Maine. As mentioned above, Allyn and Alysian Caruso have successfully built on the foundations of a family business first established in the late 1940s in Bar Harbor and expanded to Portland International Jetport. As the company has grown over 70+ years, they have also hired additional staff to meet increasing business and demand for the company's services.

## B.2. Key staff

**Allyn J. Caruso is President and Chief Operating Officer** of MAC and is Manager of HGL, and owns both entities. He oversees the overall direction of the Company, and is responsible for maintaining growth of the aircraft charter, maintenance and sales business units. Mr. Caruso has successfully established the Company in the worldwide business jet charter market, learning firsthand what distinguishes one FBO from another as a customer. His amiable manner and deep knowledge of aviation has allowed him to develop a fleet of more than sixteen jet aircraft under management by MAC for high net worth individuals and corporate owners. Mr. Caruso believes that the new FBO facility will allow MAC to further increase its customer base, and to provide a better location to showcase its aircraft inventory, as well as providing a much higher level of customer service than its present facilities. Mr. Caruso started his aviation career as Cessna salesman for MAC in the late 1960s, then became a line pilot for Bar Harbor Airlines (BHA) in the early 1970s, following graduation from Hawthorne College. By the late 1970s, he was involved in senior management at BHA, serving as its President at the time of its sale to Texas Air Corp. in 1986. In the late 1980s and early 1990s, he was involved with BHA Leasing, Northeast Air Group, and Portland Pacific Group, as well as Hangar Associates, which developed the hangar now owned by HGL at Portland International Jetport. Mr. Caruso holds an Airline Transport rating, with thousands of hours of flying experience, and holds more than 30 world-class aviation records. He is the spouse of Alysyan Caruso. (See Appendix F-2)



Challenger 850 Managed and Chartered as well as Maintained by MAC

**Alysyan M. Caruso is Vice President** of MAC and is also Manager of HGL. Ms. Caruso has been Vice President since Sept 2008, prior to which she was General Manager from May, 1994. She is the principal administrator of the Company, reviewing and approving all financial obligations. Since mid-1994, under her direction, MAC has successfully achieved a twenty-fold increase in sales, with a significantly improved bottom line, focused on business jet charter, maintenance and sales on a global basis. Her flair for marketing has resulted in a new image for MAC as it competes in a competitive marketplace. As a consequence of the Company's growth, Ms. Caruso, in her capacity as Manager of HGL, is committed to developing the proposed new FBO facility to provide room for additional growth for MAC and its clients. With a background in accounting, she became familiar with aviation in the early 1980s working on a consulting basis to BHA in Bangor, auditing its inventory, and restructuring the accounting department to improve profitability. (See Appendix F-2)

**Brigitte Miller is CFO** of MAC, a position she has held since early 2001. She manages the accounting and finance, human resources and treasury operations of the Company. A key aspect of her job is to

maintain relations with the owners of Managed Aircraft, including timely financial and activity reports as well as to work closely with the Company's external accountants to prepare tax returns. Prior to joining MAC in mid-1994 as a full charge bookkeeper, Ms. Miller worked for Jet Services-Portland and for Atlantic Properties after graduating from University of Southern Maine in the late 1980s. (See Appendix F-2)

**Ryan A. Clyde** is Director of Operations for Maine Aviation Aircraft Charter's (MAAC) worldwide flight operations, joining the Company February 2007. Graduating from Embry-Riddle Aeronautical University in 1996, Ryan began his aviation career as a flight instructor. Since then, he has spent over a decade in aviation management, specializing in promoting safety through the development and maintenance of quality training programs, enforcing Standard Operating Procedures and maintaining strict standards of compliance with FAA regulations. He has upgraded MAAC's General Operations Manual to the standards of a Part 121 operation, successfully implemented a Safety Management System and is working on qualifying the Company as an IS-BAO certified organization. (See Appendix F-2)



Interior of Challenger 850 Managed and Flown in Charter by MAC

**Travis Caruso** is Director of Maintenance for MAC operating under FAA Part 145 Repair Station FSER011E, having overall responsibility for all maintenance activities. Mr. Caruso is qualified to perform maintenance on all of the types of the aircraft the Company operates, as well as several other types flown by commercial airlines which are periodically serviced at Portland International Jetport. He joined MAC in mid-1994, having started his career as an aircraft mechanic at Northeast Express Regional Airlines in Bangor in 1991. Mr. Caruso has managed the certification process of the various aircraft operating under the Maine Aviation Aircraft Charter's Aircraft Operating Certificate (AOC), and is responsible for the development of the maintenance capabilities of the Company. He has successfully implemented and enforced a safety program for the overall day to day safe operation of an active maintenance facility. (See Appendix F-2)

### B.3. References

The Proposers submit the following persons and business entities as references to assist in the evaluation process:

Organization/Contact	Length of Alliance	Type of Alliance
<b>702SJ LLC</b> <b>Kipp Lassetter</b> 24546 N. 91 Street Scottsdale, AZ 85255	3 yrs	Aircraft Charter/ Sales and Maintenance
<b>First Source Bank</b> <b>Jeff Lindtstadt</b> Laird Professional Bldg. Hopewell Rd Suite 200 Downingtown, PA 19335	20+ yrs.	Aircraft financing and Banking
<b>Maine Medical Center</b> <b>Richard W. Petersen</b> 22 Bramhall Street Portland, ME 041023 Years	3 yrs.	Aircraft charter
<b>Winchester Air</b> <b>John Moriarty</b> C/O John Moriarty & Associates 3 Church St. Winchester, MA 018906 Years	8 yrs.	Aircraft management and Maintenance
<b>CF Air LLC</b> <b>Eric Cianchette</b> 42 Market St. Portland, ME 04101	25 yrs.	Aircraft management and Maintenance
<b>539LLC</b> <b>Aubrey J Ferrao</b> 8156 Fiddlers Creek Naples, FL 341148 Years	8 yrs.	Aircraft Management, Maintenance and Sales
<b>Flying Colours</b> <b>John Gillespie</b> RR# 5 Peterborough Airport Peterborough, Ontario K9J6X6 CANADA	18 yrs.	Aircraft Sales, Interior and Maintenance
<b>Juliet Alpha Aircraft Leasing &amp; Sales</b> <b>John Allen</b> 100 Kingstown Dr. Naples, FL 34102 Tel.: 239-435-4582	7 yrs.	Aircraft Management, Maintenance and Sales

#### B.4. Teaming Partners/ Consultants, Contractors and Sub-Contractors

At present, the Proposer has no Teaming partners. The following matrix comprises a list of consultants, contractors, and subcontractors that the Proposer will be using on this project.

Company/Contact	Relationship
<b>Marcus, Grygiel, Clegg &amp; Mistretta</b> Marilyn Mistretta 1 Canal Plaza, Ste. #600 Portland, ME 04101 (207) 828-8000	Legal Consultant
<b>Sebago Technics</b> Owen McCullough John Roberts Road – Suite 1A South Portland, ME 04106-6963 Office: 207.856.0277 Direct Line: 207.200.2073	Site development and Planning & Preparation of FAA form 7460
<b>Charette Design</b> John Charette 5 Wilton Lane Cape Elizabeth, ME 04107 207-831-7757	Architect
<b>Lakes Region Environmental Contractor</b> <b>Roy Creley</b> PO Box 1236 Bellmount NH 03220-8039 (603)-267-7000	Fuel Storage Engineering/ Design
<b>Shaw Brothers Construction Inc.</b> John Shaw Gorham Maine 04039 (207)- 839-2552	Site work and Excavation
<b>Benchmark</b> Kevin Reilley 34 Thomas Drive Westbrook ME 04092 207-251-3847	General Contractor
<b>Canam</b> Christian Tsoutsouris 50 Eastman Street Easton, Massachusetts 02334-1245 603-401-0152	Structural Development for Hangar
<b>TD Bank</b> Bill Schad, Senior Commercial Loan Officer 207-761-8600	Lending Institution

## C. Detailed Proposal

### C.1. Statement of Understanding

Through the Portland International Jetport's master planning process, the City of Portland (the "City") has determined there is a need for a second general aviation (GA) fixed base operation (FBO) at the Jetport. Consequently, the City began soliciting proposals from interested parties to finance, construct, manage, and maintain a new GA Fixed Base Operation. Only proposers who meet the City's criteria as stipulated in the Request for Proposal #4815 would be considered in the selection process.

MAC Air Group (MAC) is prepared to construct, manage, and maintain a new Fixed Base Operation that will meet and exceed the City's *Minimum Standards for Commercial Aeronautical Activities at the Portland International Jetport* and will be operational by the projected completion date. With more than 50 years in the aviation industry, MAC has demonstrated its resilience, longevity and financial stability during the most turbulent economic times. That stability has enabled the company to grow and thrive. MAC is committed to building the world class facility that offers world class service that will entice more business to the airport, benefitting the Jetport, its tenants, and the City of Portland.

### C.2. Development Plan

The Proposer is planning to construct a state-of-the-art modern hangar facility, and fully complying with the Minimum Standards for a Full Service FBO as contemplated in RFP 4815.



The Proposer's Maintenance Facility 2014

To facilitate moving into the New FBO Complex by January 2016, the Proposer anticipates beginning construction in April 2015, if there are no delays on building permits. If possible, the Proposer would like an accommodation to permit the opening and use of the fuel farm on a temporary basis for use by its own fleet on or about September 2015, assuming all other approvals from FAA and other Government agencies could be obtained. This may help to avoid any potential operational issues with a winter season opening of the fuel farm.

The Proposer realizes that meeting the project milestones will take close and continuous cooperation with the Portland International Jetport, the City of Portland, the City of South Portland, FAA and other federal and state agencies. The Proposer will engage the services of Sebago Technics to oversee, audit and review construction milestones and will facilitate weekly meetings, keep construction records and daily reports. Sebago Technics has worked with Portland International Jetport to develop this site and others at the Jetport, as such they understand the Development Guidelines.

The Proposer knows its preliminary design for the New FBO Complex can be quickly committed to blueprint, and a more detailed timeline and critical path for construction can be presented in short order after notice of award. The Proposer knows that it has the financial capacity to hire the proposed

building contractor, site engineers and consultants as may be necessary to advance this project during the course of the spring, summer and fall of 2015.

The Proposer believes its proposed New FBO Complex meets or exceeds the Minimum Facility Size contained in the Portland International Jetport Minimum Standards. The Proposers are planning to build a facility that has approximately 40% more hangar space per square foot than the required minimum of 20,000 square feet. The Proposer will build out a 240x 120 hangar as well as an attached two story 13,000 square foot of office space to accommodate the FBO customer service needs, its current administrative and operations personnel, with some additional office space for rent.

MAC will continue to operate its aircraft inspection and repair business in the its existing 18,000 square foot maintenance facility on Yellowbird Road, which maximizes space to hangar corporate jets, including those of the MAC fleet.

To assure that the fuel farm fully complies with applicable regulations and environmental standards, the Proposer has engaged the services of Lake Region Environmental, Inc., a New Hampshire company that specializes in designing, planning and installing fuel farm systems. Lake Region Environmental has designed a fuel farm consisting of two 20,000 gallon Jet A fuel tanks and one 10,000 gallon Avgas tank with as self-service and truck option. Additionally, they have designed and will provide two 500 gallon Self-service fuel tanks for Diesel and auto gas for consumption by the FBO. This fuel will be used for refueling ground equipment including the fuel trucks and will not be for resale to the general public.

The Proposer recognizes the significance of developing the New FBO Complex within the Portland International Jetport boundaries and has developed a plan, as outlined in Site Plans to move the current Fencing back to the edge of the currently developed apron so all work will be performed outside the Jetport fencing. On completion of the New FBO Complex, in early December 2015, the fencing will be move back to the edge of the proposed building and surrounding Apron areas. The New FBO Complex will be landscaped in conformity with the requirements of the RFP. The Proposer also recognizes the importance of airport security (TSAR 1542) and will work with the Jetport to ensure compliance as relevant.

Further, the facility will be in compliance with the Americans with Disabilities Act (ADA) in all phases of construction and operation.

### C.2.1. Proposer’s Build-out vs PWM Minimum Standards

The Proposer has included a comparison chart contemplating Proposer’s build out vs. Portland International Jetport Minimum Standards

#### Minimum Square Footage – Proposed Design

Projected Use	Portland Jetport Guidelines	MAC Air Group/Hangar Group
Customer Service Terminal	5,000	5,000
Hangar Storage	20,000	28,800
Maintenance Facility	1,500	12,000*
Parts Storage	0	2,800*
Administrative area	1,000	8,000
	27,500	56,600

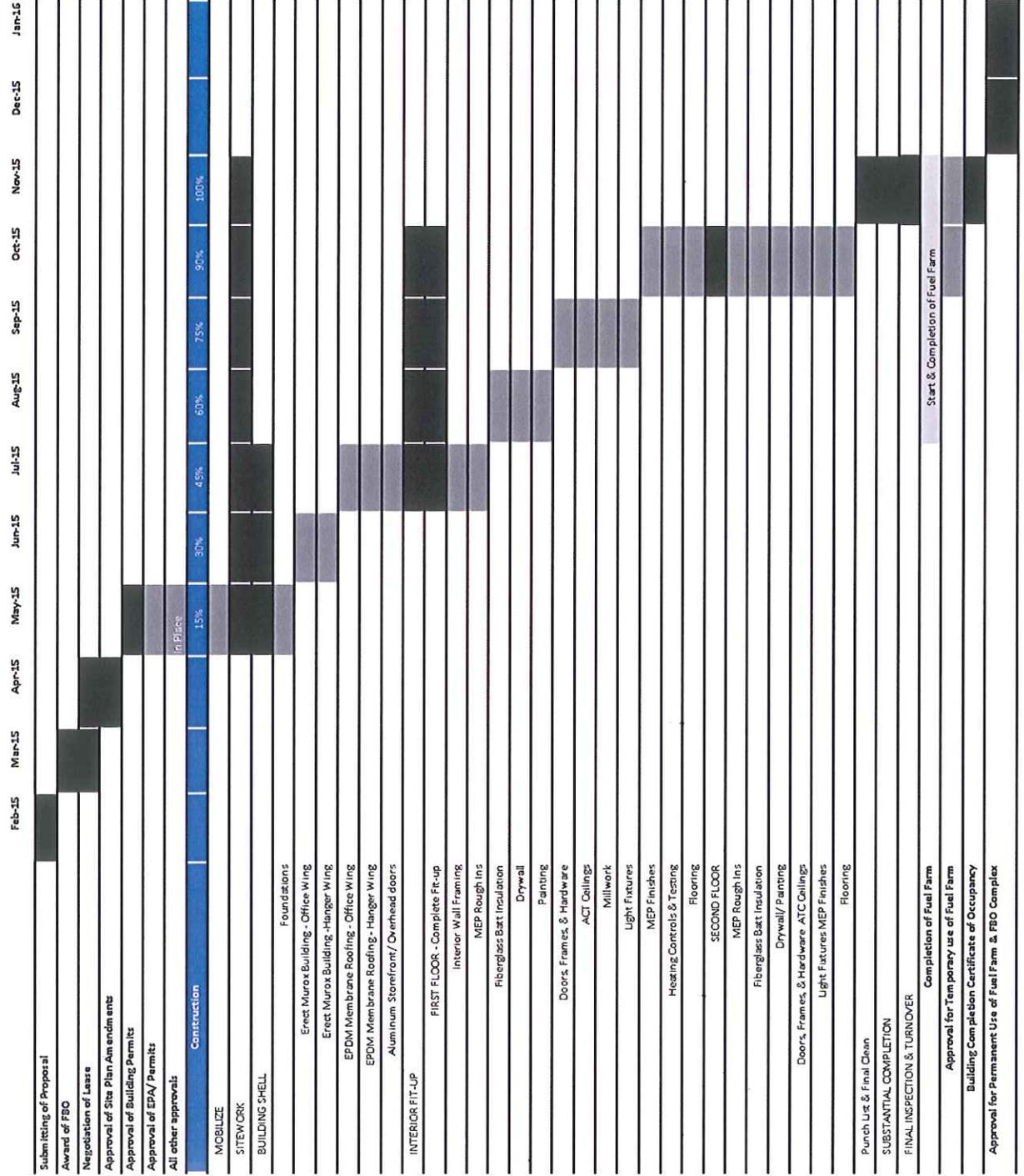
\*Existing MAC maintenance facility

### C.2.2. Construction Phase Borrowing Requirements

For planning purposes, the Proposers have developed the following chart indicating the capital outlays by Month until full project:

Maine Aviation FBO Facility - Portland International Jetport												
Construction Phase Borrowing Requirement - Phase 1 (Main FBO Complex - 40,000 Square Foot Facility)												
	Capital Budget	2015 April	2015 May	2015 June	2015 July	2015 August	2015 Sept	2015 Oct	2015 Nov	2015 Dec	Total Cost	
Hangar Building & office (40,000 Sq. Ft.)	\$ 3,300,000	100,000	350,000	550,000	560,000	400,000	680,000	660,000	Complete	Complete	3,300,000	
Fuel Storage System	338,000			28,000	40,000	40,000	160,000	110,000			338,000	
Aircraft Ramp	1,565,000	10,000		50,000	200,000	665,000	650,000	650,000			1,565,000	
Lighting and Security Fencing	148,000			18,750	56,250	63,000	47,500	148,000			148,000	
Site Work	175,000	35,000	25,000	23,500	16,500	11,000	16,500	47,500			175,000	
Hangar Equipment	95,000						25,000	70,000			95,000	
Office Fixtures and Equipment	100,000						45,000	55,000			100,000	
Airport Bond	100,000	100,000									100,000	
Other Soft Costs & Contingency	100,000		5,000	10,000	25,000	25,000	25,000	10,000			100,000	
<b>TOTAL</b>	<b>\$ 5,921,000</b>	<b>245,000</b>	<b>380,000</b>	<b>583,500</b>	<b>679,500</b>	<b>694,750</b>	<b>1,672,750</b>	<b>1,665,500</b>	<b>0</b>	<b>0</b>	<b>5,921,000</b>	
% of Budget Expended		4%	11%	20%	32%	44%	72%	100%	100%	100%	100%	
MAC Internal Funding		250,000	271,000								521,000	
Construction Loan Need:	\$	0	105,000	688,500	1,368,000	2,062,750	3,735,500	5,401,000			5,400,000	
Construction Phase Interest @7% APR:	\$			613	4,016	7,980	12,033	21,790	31,506		77,938	
Target Project Start Date:	April 2015											
Target Project Completion Date:	Dec 2015											
Target Permanent Financing Date:	Dec 2015											

### C.2.3. Construction Milestones



### C.3. Scope of Operations

#### Aircraft Maintenance

MAC holds an FAA-issued Part 145 Repair Station certificate, with Operations Specifications covering a wide spectrum of aircraft, including a several types that have never been operated by the Company in its air taxi operation spanning some 56 years. It has authorization to perform avionics installations, and certain component inspection and repairs. Currently, the maintenance unit performs transit maintenance for a number of the scheduled airline operators at the Portland International Jetport, as well as for several fractionally –owned aircraft operators on an “as needed” basis. The Company expects this component of maintenance work to grow as it expands into aircraft refueling and ramp services. Moreover, with access to more hangar space, the maintenance business unit will be able to perform more avionics installations. The Company maintains very competitive rates in the northeast marketplace for aircraft maintenance services. The table below is indicative of currently prevailing rates:

#### General airframe maintenance

- piston/ single engine \$75/man hour
- Piston Twin: \$80/man hour
- Turbine/ Jet \$90/man hour

#### Avionics-Primary installation

- All Types \$75/ man hour
- Repair & trouble shoot all Types- \$95/man hour

Contract Maintenance for scheduled airline operators is negotiated depending on the scope and frequency of the service required, generally at a discount from the posted rates for general aviation aircraft. The Company personnel are trained in the specific maintenance tasks to be performed in accordance with the air carrier operator’s FAA approved Manuals.

Additionally, the maintenance business unit is an authorized Cessna parts dealer.



MAC Maintenance currently in Operation

### **Aircraft Refueling and Ramp Services**

MAC as part of the RFP is proposing to establish an aircraft refueling and ramp services unit to complement its offerings at what will be a full service FBO facility. Under the terms of the site plan, the Company envisions offering Jet-A and Avgas to all aviation users at the Portland International Jetport. Currently, 1 Avgas fuel truck and a Self-fueling dispenser are planned for the piston-engine aircraft. For Jet-A customers, the Company has planned an initial compliment of 2 fuel trucks, which will be increased when the Company acquires scheduled airline customers with high frequency refueling needs.

MAC intends to offer de-icing services to all aviation users, with a minimum of 1 de-icing truck suitable for general aviation aircraft and small jets, and suitable for narrow-body twin-jet aircraft. Additional units of each kind may be procured depending on contractual obligations.

The Company plans to offer a full range of on-site ramp services ranging from tie-down services, to hangar rental for long-term and transient aircraft, subject to space availability. In addition, the business unit will offer lavatory service, ground power starting, and other needed services, complemented by the capabilities of the aircraft maintenance unit.

For planning purposes, the new business unit has based its fuel margins for general aviation customers on markup of \$1.20 to \$1.65 above cost of product per gallon. For airline customers, the rates are negotiable from \$0.05- \$0.25 per gallon, with a minimum hookup fee, depending on type of aircraft, frequency, and uplift requirements. De-icing fluid sales have been projected at \$15.50 per applied gallon with provisions available for the General Aviation Aircraft only. Pricing is subject to negotiation and variability in the product price. Tie-down spots have been projected at \$80- \$110/ month depending on requirements, and ramp fees for non-fuel customers are projected at \$25- \$250/ event, depending on aircraft weight and size. Hangar space rental is projected at rates the Company currently pays at various location in New England for the in its charter and managed aircraft fleet. Transient overnight rates will be higher than for those stored on long-term contract basis or operated by MAC for an owner. All rates are designed to be competitive to attract business to the New FBO Complex at the Portland International Jetport. The Proposer will work with the Civil Air Patrol and private parties to develop agreements amenable to all concerned for space at a reasonable rate.

## Aircraft Charter

MAC has held FAA Part 135 Air Taxi certificate # FSEA011E since 1959, with its FAA-issued Operations Specifications progressively expanded to cover a wide-range of aircraft, including most recently the Falcon 2000 and the Challenger 850. Since the mid- 1990's, the Company has increasingly focused its activities around the operation of the private jet charter. As a value added service, MAC manages jets for owners wishing to recap or off-set expenses by chartering their wholly owned aircraft. Today, MAC operates over 16 aircraft in worldwide charter service. The adjacent table contains some of MAC aircraft available for charter services from its various bases, including Portland International Jetport.

		<b>Challenger 850</b> N888WJ - 16 Passenger Comfort 3,000nm Range - Custom Interior Northeast Based
		<b>Challenger 850</b> N96AP - 15 Passenger Comfort 3,000nm Range - WiFi Equipped New York Based
		<b>Challenger 850</b> N702SJ - 16 Passenger Comfort 3,000nm Range - WiFi Equipped Northeast Based
		<b>Challenger 850</b> N480SJ - 14 Passenger Comfort 3,000nm Range - Dual Washrooms Arizona Based
		<b>Falcon 2000</b> N234J - 10 Passenger Comfort 2,900nm Range - WiFi Equipped Florida Based
		<b>Hawker 1000</b> N539LR - 9 Passenger Comfort 3,000nm Range - Excellent Baggage Northeast Based
		<b>Hawker 1000</b> N511LR - 9 Passenger Comfort 3,000nm Range - WiFi Equipped New York Based
		<b>Hawker 1000</b> N546LR - 9 Passenger Comfort 3,000nm Range - Refurbished Interior Northeast Based
		<b>Hawker 1000</b> N207TT - 9 Passenger Comfort 3,000nm Range - CD/DVC Equipped Northeast Based
		<b>Learjet 60</b> N358P - 8 Passenger Comfort 2,600nm Range - Mid-Size Cabin Northeast Based
		<b>Hawker 800 XP</b> N80WP - 8 Passenger Comfort 2,500nm Range - Internet Equipped Florida Based
		<b>Hawker 800 A</b> N82GC - 6 Passenger Comfort 2,400nm Range - Refreshment Center Florida Based
		<b>Citation S5 II</b> N558ME - 7 Passenger Comfort 2,000nm Range - Recent Upgrades Northeast Based

### C.4. Proposed Management Structure

The Proposer has appointed Brigitte Miller, CFO of MAC, as the Primary Day Contact with respect to the proposal, until further notice. Ms. Miller may be contacted at (207) 780-1811, or in person at the administrative offices of MAAC. Ms. Miller is responsible for recruiting the designated FBO Manager to be announced prior the planned opening of the New FBO Complex, anticipated for January 2016. Ms. Caruso will be assisting Ms. Miller with respect to the development of the FBO business unit. MAC presently operates on a 24/7 basis. With consolidation of the most of the Company into a single facility, its current 24/7 schedule will be maintained, with the option to adjust if certain times of the year or week do not justify full staffing of refueling and ramp services, where other dispatch and maintenance personnel will be trained to provide such services.

For planning purposes, the following shift coverage chart is illustrative of planned manpower levels

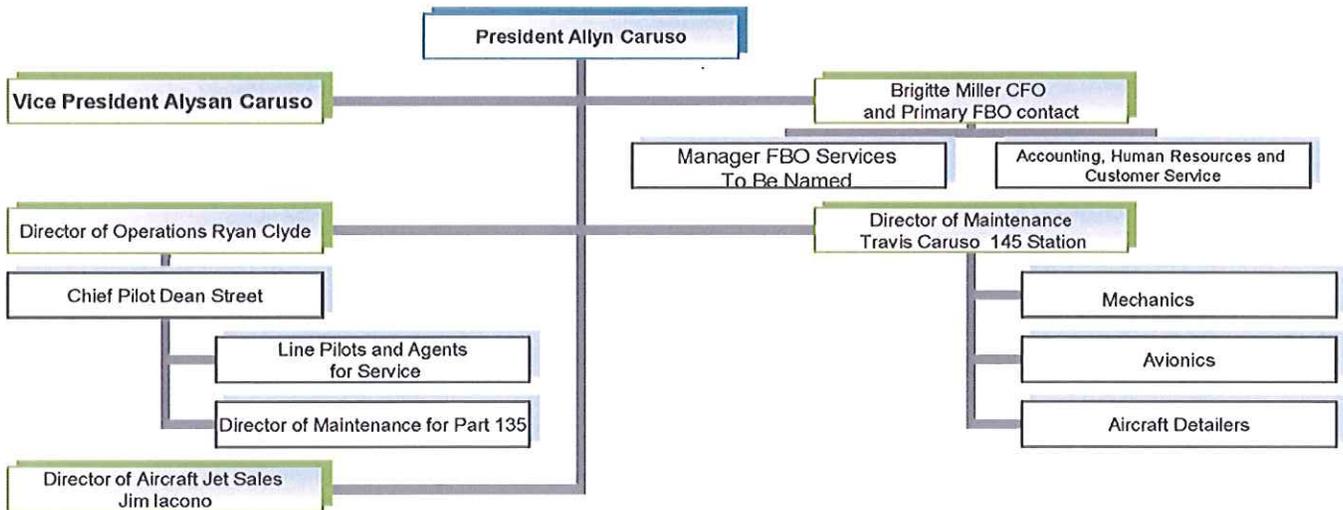
	12am-3:59am	4am-7:59am	8am-11:59pm	12pm-3:59pm	4pm-7:59pm	8pm-11:59pm
Customer Service						
Dispatch						
Refueling						
Maintenance						
Charter Operations						
Administration						
	On Call	In Office				

### Primary Day-to Day Contact

MAC is internally subdivided into business units, usually established as separate Limited Liability Company (LLC), originally set up in this manner for insurance reasons, but now further enhanced for accounting and benchmarking. A separate new LLC will be established, provisionally MAC Air Services, to operate the aircraft refueling and ramp services business unit.



MAC operates on a day-to-day functional basis under the following managerial structure, in accordance with its FAA-approved management positions with respect to its FAA Part 135 and Part 145 Certificates. When the New FBO Complex is opened, the management structure will be altered to better focus the customer service functions under a single FBO manager to be announced prior to the opening.



## C.5. Financial Business Plan

From a business perspective the Financial Business Plan of the Proposers is patterned after the existing HGL arrangement on its hangar facility at 406 Yellowbird with Portland International Jetport.

- The developer and owner of the new FBO complex will be HGL, who will enter into a long-term master ground lease with Portland International Jetport
- MAC will be entered into a long-term lease agreement for the major portion of the facility;
- HGL will pledge its rental stream from the entire facility plus its equity interest in the 406 Yellowbird hangar facility to the bank financing the construction and the mortgage financing;
- HGL anticipates a total triple-net rental revenue of approximately \$45,000 per month from MAC for the rent of the new FBO complex and the 406 Yellow bird Rd maintenance facility.

For MAC, the construction of the new FBO complex allows it to consolidate most of its activities under one roof, with considerable improvements in productivity. Moreover, MAC will be able to close a facility



MAC Hawker 1000 Fleet member

at Pease Tradeport where it leases hangar space at present due to a shortage of available space at Portland International Jetport. About 20 employees will be transferred from there when the new FBO complex is opened, which will initially generate 10-14 new jobs at the MAC Air Services business unit.

Eventually, some aircraft and additional employees currently based at Teterboro, NJ, may also be relocated to the proposed facility. Moreover, the new FBO complex will provide additional space from which MAC can grow its business, which has been experiencing growth over the past two years.

From a business perspective, the net cost to MAC of the new FBO facility is estimated to be about \$23,600 when all currently operable rent charges are tabulated. MAC anticipates that the base rent on a triple net basis to HGL for the first phase of FBO complex will be about \$36,000 per month. MAC Air Services as a stand-alone entity will need to generate approximately \$20,000 to \$30,000 per month in earnings before facilities cost are completely covered. It is not likely that any other proposer under the RFP could achieve an effective breakeven as low as MAC and its affiliates.

From a business perspective, the net cost to MAC of the new FBO facility is estimated to be about \$23,600 when all currently operable rent charges are tabulated. MAC anticipates that the base rent on a triple net basis to HGL for the first phase of FBO complex will be approximately \$36,000 per month.

MAC Air Services as a stand-alone entity will need to generate in the range of \$20,000 to \$30,000 per month in earnings before facilities cost are completely covered. It is not likely that any other proposer under the RFP could achieve an effective breakeven as low as MAC and its affiliates.

As mentioned previously in this RFP response (B-1), the Proposers currently have a commitment letter from a leading bank which recognizes it has the financial capability to successfully finance and complete the proposed new FBO facility being considered under RFP 4815. (See Appendix G-4)



MAC Fleet Hawker 800 based in Florida

**(NOTE: The financial information (including the CD with corporate tax returns) are proprietary information. MAC respectfully asks the City to ensure confidentiality of this info and not make it available to the public.)**

## D. The Fixed Base Operation

The Proposers have developed a plan for MAC Air Group which would erect a New FBO Complex with about 40% more usable space than contemplated in RFP 4815, with a state-of-the art main hangar measuring some 240' X 120' feet, a new fuel farm and 13,000 square feet of office space. Ultimately, the Proposers intend to develop an additional 15,600 square feet of hangar space, dedicated to Maintenance in the 2021-2025 time frame to be located on Pad D.

The estimated project initial phase cost is approximately \$5,900,000, commencing with the construction of the New FBO Complex, apron development and fuel farm, anticipated to be completed, subject to timely receipt of necessary approvals, by December 2015, assuming a start of construction date of late April 2015

MAC will be able to consolidate most of its activities into a single facility, with its Maintenance facility remaining at its current 406 Yellowbird facility. MAC anticipates hiring 10-14 people for the FBO in the initial phases of operation, and is confident that its aircraft charter, maintenance and sales business will allow it to hire an additional 8-12 employee as the business grows

### D.1. Plans and Renderings

The Proposer has prepared the following preliminary building plans and sketches –

- 3-D Artist Rendering of New proposed Main FBO Complex
- Architectural detailed layout of Main Floor plan and customer service space
- Architectural detailed layout of 2<sup>nd</sup> Floor administrative office plan

At present, the drawings are outlined close to the intended outcome. The Proposer has planned that the final drawings, ready to go to blueprint, can be completed within two weeks upon notice by the Portland International Jetport. This will facilitate final site approval and permits applications with the City of South Portland to begin immediately with the aim of starting construction in early April 2015.

At this time, the Proposer does not elect to build out the T-Hangars as approved for site development. The Proposer observes that the current apron plans offers relatively limited overall ramp space. A lack of ramp space is a limiter during the busy summer season as well as basing more MAC-operated aircraft at the facility. When more land becomes available MAC will consider adding T-Hangars at such time. (See Appendix G-6)

### D.2. Site Plans and Sketches

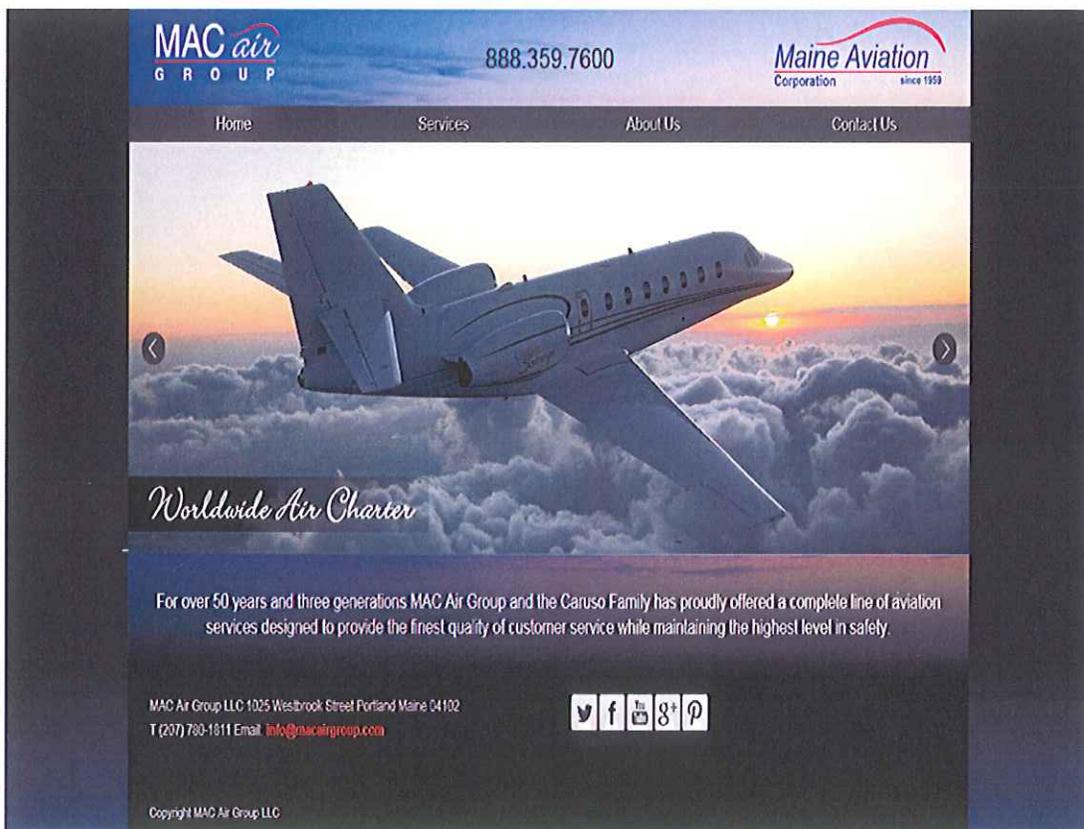
The Proposer's has included a slightly adjusted site plan lay out. This layout deviates from the City proposed building foot print and the T-Hangar allocation has been removed to reflect more adequate ramp space. All other components of the site plan proposed by the Portland International Jetport remain the same. (See Appendix G-7)

## E. Additional Background Information

### E.1. MAC Air Groups Website

MAC Air Group invites the evaluators to review it's website at <http://macairgroup.com> , which provides a comprehensive listing of current capabilities and offerings along with its business units. Additionally, the Proposer invites any of the evaluators for a tour and first hand sight review of its current operations and fleet aircraft.

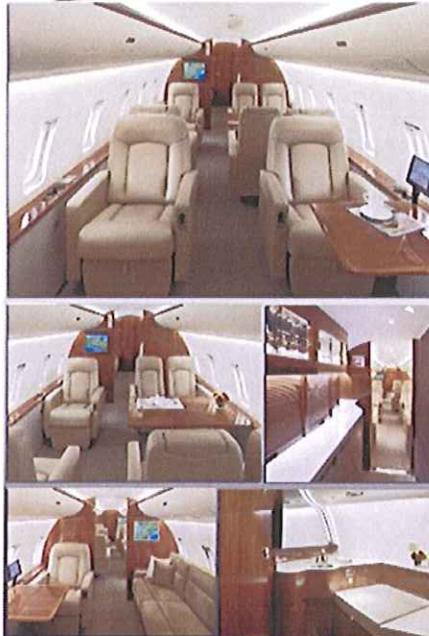
MAC is has been a pro-active leader with the state initiating helping to implement changes to the sales tax structure related to aviation in Maine. These changes continue to bring additional aviation clients to Maine, related article attached.



## E.2. Email Blasts

This is an example of a recent campaign engaging a blast email system to a list of over 5,000 clients and affiliates that was homegrown by MAC. These emails keep the industry informed of MAC's aircraft listings availability and the always changing one-way charter availability. Utilizing this email system has extended MAC's retail client base and attracted worldwide aircraft sales.

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Aircraft Charter Since 1959

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maineaviation.com

### E.3. Media Coverage

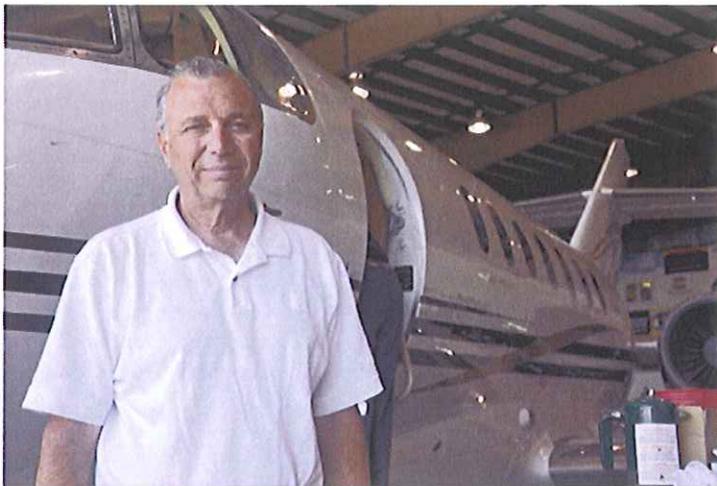


Business Section, Sept. 13, 2013

<http://bangordailynews.com/2013/09/13/business/change-in-tax-policy-helps-maines-aviation-industry-take-off/>

#### Change in tax policy helps Maine's aviation industry take off

By Whit Richardson, BDN Staff



Allyn Caruso, president and CEO of Maine Aviation Corp., stands in his company's hangar at the Portland International Jetport. Behind him is a corporate jet from Kansas that is receiving routine maintenance. A 2011 change in tax policy that exempts aircraft parts from Maine's 5 percent sales tax has helped Caruso grow his aircraft maintenance business by as much as 25 percent in the past two years.

PORTLAND, Maine — Six aircraft, some stripped down to not much more than their shells, are crowded into Maine Aviation's hangar on the outskirts of the Portland International Jetport.

The planes range in size from two-seaters to small corporate jets. The hangar doors are wide open to allow a seventh, much larger plane — a 16-passenger jet owned by a hedge fund in Washington, D.C. — to fit its nose inside so mechanics can install a new, \$40,000 windshield.

Allyn Caruso, president and CEO of Maine Aviation, walks among the planes, pointing to one after another and explaining what type of work his mechanics are completing. Most of these planes, he says, wouldn't be here if it weren't for a change in tax policy the Maine Legislature adopted in 2011 that exempts aircraft parts from Maine's 5 percent sales tax.

There's a nine-passenger Hawker 1000 in for routine maintenance. Its owner lives in Wichita, Kan., and otherwise has no connection to Maine. There's a twin-engine, six-passenger Beechcraft Baron that's receiving a new autopilot and an annual inspection. Its Florida-based owner flew into Portland on his way to Europe and liked the service, so he keeps coming back.

"We give him good value, we give him a good price and it's tax-free. He likes us," Caruso says. "He wouldn't like us, though, if we charged him a 5 percent tax."

Out on the tarmac are six more Hawker 1000s, each waiting for complete overhauls that will cost as much as \$2.5 million apiece, Caruso says.

“There’s no way these planes would be sitting here [without the exemption],” he says. “They’d be sitting somewhere else.”

Revenue from Maine Aviation’s aircraft maintenance division is up 25 percent from 2011, Caruso says.

Maine Aviation plans to build a new, \$7 million hangar next year and hire an additional 20 employees to increase its capacity, Caruso says.

“Clearly we’re in growth mode, and this [tax exemption] is certainly making that possible,” he says.

According to aviation industry and economic development officials, the tax exemption on aircraft parts has helped Maine’s aviation industry grow and create jobs, and provides an example of how tax policy can be used as an effective economic development tool.

Maine Aviation isn’t the only Maine aviation business that has benefited from the tax change.

C&L Aerospace, which employs 115 at its aircraft repair and maintenance facility at the Bangor International Airport, is expanding and expects to add as many as 70 new jobs, according to Chris Kilgour, the company’s CEO.

And just last week, on Sept. 4, South Carolina-based Tempus Jets announced it would be moving its aircraft repair business from Virginia to the Brunswick Executive Airport, part of the former Brunswick Naval Air Station. Tempus expects to employ 25 in Brunswick by the end of the year, and double that number by the end of 2014. If all goes as planned, the company could employ up to 200 people in Brunswick within a few years, according to Scott Terry, Tempus’ CEO.

While it wasn’t the only factor in the company’s decision, Tempus likely would not have chosen to move to Maine if it weren’t for the sales tax exemption on aircraft parts, Terry told the Bangor Daily News.

“It’s safe to say that if Maine didn’t have that sales tax exemption that we would have most likely reconsidered [moving here],” Terry said.

The case for the tax exemption

It all goes back to a “use” tax that Maine imposed on aircraft that were purchased outside Maine, but spent more than 20 days — cumulative, not consecutive — in Maine during the first year of ownership.

By most accounts, it was not good policy.

It was an “onerous and fairly ridiculous situation,” according to Bob Ziegelaar, a former director of the Bangor International Airport and former president of Bangor-based Telford Aviation Services, which sold its aircraft maintenance business in 2010 to Maine Aero Services and C&L.

Steve Levesque, executive director of the Midcoast Regional Redevelopment Authority, called the tax “a black mark on Maine” that caused small aircraft owners to shun the state. Aircraft owners who had homes or businesses in Maine would fly to New Hampshire, where they would store and maintain their aircraft, and rent a car to drive into Maine, Levesque said.

Two bills were introduced in 2011 to repeal the “20-day” tax — one by then-Republican Senate President Kevin Raye of Perry, and another by state Sen. Stan Gerzofsky, D-Brunswick. In addition, Gerzofsky introduced a companion bill that would exempt aircraft parts from Maine’s 5 percent sales tax.

The bipartisan legislation won approval from the House and Senate, but died because lawmakers on the budget-writing Appropriations Committee could not find a way to pay for it. In order to make sure the tax exemptions made it into law, Gov. Paul LePage’s administration inserted it into that year’s \$6.1 billion biennial state budget with a two-year sunset clause.

The tax change put Maine on equal footing with its neighbors in New England, none of which had a similar use tax on aircraft or a sales tax on aircraft parts, according to the Aircraft Owners and Pilots Association.

There are no comprehensive economic impact figures available for how the tax exemption affected Maine’s economy in the past two years, but the anecdotal evidence was convincing enough that legislators in the last session extended the exemption for another 20 years, to 2033.

In 2011, the Office of Fiscal and Program Review estimated the tax exemptions would cost the state about \$608,000 a year in lost tax revenue the first few years, increasing slightly to \$650,465 during the state’s 2015 fiscal year.

Maine Revenue Services updated the figures for the last legislative session, estimating the tax loss in fiscal year 2017 would be roughly \$704,000.

Gerzofsky said the benefits have certainly outpaced the loss of tax revenue.

“We created a lot of jobs, we created a lot of payroll taxes and we created an industry we didn’t have,” Gerzofsky said.

Ziegelaar, who is no longer involved in the aviation industry but is still a keen observer, said it’s a bit of an exaggeration to say the tax exemption “created” the industry, but it has definitely helped.

“There’s no question that the exemption has been helpful for the industry. When we were running Telford it was a hindrance. I don’t think it was an absolute killer, obviously, because we were doing OK, but it certainly was helpful in growing the industry in general,” he said.

Levesque agreed: “I think it’s too early to tell, but from what we’re seeing so far it’s showing some significant impact.”

Brunswick — which inherited airport infrastructure from the U.S. Navy that would cost roughly \$4 billion to build today, according to Levesque — probably has the most to gain from this burgeoning aircraft maintenance industry. Its runway and hangars are big enough to handle some of the largest commercial airliners.

“Brunswick is probably the best aviation facility available on the East Coast right now, and that should yield huge, huge returns for the state of Maine in terms of the aviation industry,” said Caruso at Maine Aviation. “You get one airline MRO” — a maintenance, repair and overhaul facility that handles large commercial airline jets — “and that could be 500 jobs.”

Aviation companies are not the only ones benefiting from the tax change. Local machine shops, precision manufacturers, upholsterers, anyone along the supply chain, all have the potential to see an increase in business.

Tami Keirstead owns and operates Tam’s Upholstery Touch in Glenburn. Before 2011, her business was split 50-50 between doing car upholstery and upholstery for planes, a job she’s been doing since getting her FAA repair

license in 1991. Since the tax exemption in 2011, that ratio has tipped decisively in favor of aviation, which now consists of 85 percent of her business. She estimates her sales have increased as much as 40 percent since 2011.

It used to be winter was a quiet time for her business, but “we stayed busy right straight through the last three years,” she told the BDN.

So far it’s still just herself and one other employee. But if the business continues its upward trend, she’ll have to hire more people and likely expand into a bigger space.

#### The lessons

From an economic development perspective, Levesque said, the sales and use tax exemption on aircraft and parts offers a perfect example of how policy can be used to leverage existing assets, such as the world-class facilities in Brunswick, to bolster an industry and create hundreds of jobs.

In addition to helping one industry grow, the tax change also sends a strong message that Maine is willing to work with the private sector to improve the state’s business climate, George Gervais, commissioner of the Maine Department of Economic and Community Development, told the BDN.

“We need to send more messages like this that show we’re aggressive regarding tax policy that benefit businesses in the private sector,” Gervais said. “It’s proven through example in this case that it does grow Maine’s economy when we make aggressive tax policy decisions in the right direction.”

Other industries — yacht maintenance, for example — could be targeted by policy-makers for tactical changes to the tax policy that would spur growth.

“There’s no question in my mind that the sales tax example is helpful and could potentially serve as an example for some other industries,” said Ziegelaar, who now runs his own business consulting firm in Brewer called MainXPO.

Ziegelaar, who’s an economist by training, doesn’t believe in giving tax exemptions willy-nilly to different Maine industries. He supports, though, a calculated effort to change tax policy in ways that will yield a net gain for Maine’s economy.

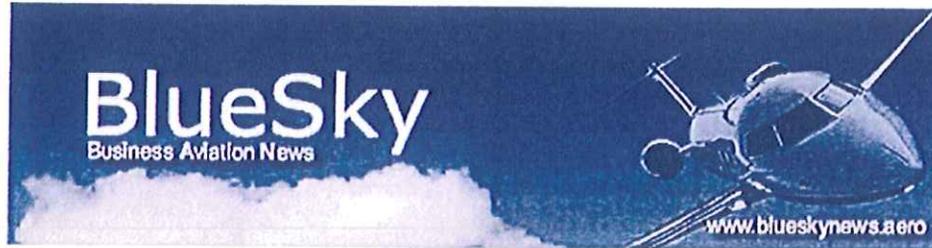
“If you can make the case that it’s a wash or close to it, why not do that?” he said.

For Caruso, who’s watching his business grow as a result of the tax exemption, there’s no doubt the tax change will yield a net positive.

“Five years from now when you look back you’ll see a whole new picture of this industry,” Caruso said. “The state made an investment in it and it’s going to pay off.”

2/5/2015

BlueSky Business Aviation News - blueskynews.aero



**MAC Air Group bolsters fleet with addition of five new aircraft to AOC**  
*First shuttle service links New York with Bahamas*

Portland, Maine-based MAC Air Group has been at the Schedulers and Dispatchers conference in San Jose, CA this week, talking up the addition of five new aircraft to its AOC in the last nine months.

The family run business has inducted five new aircraft into the charter fleet; with a sixth aircraft serving a shuttle service that began in December 2014.

Added to the existing charter fleet is a Dassault Falcon 2000, which is fully WiFi equipped, a Hawker 800 XP and Hawker 800, all based at Boca Raton, FL (BCT). In addition a Bombardier Challenger 850 with a completely refurbished interior incorporating WiFi connectivity is based at Stewart, NY (SWF) and a Citation SSII, with a Sierra Super modification giving it an extended range, is located at its home-base of Portland ME.



Challenger 850 - one of MAC Air Group's expanding charter portfolio

The additional aircraft, which join an existing fleet of three Challenger 850s, based in Portsmouth, NH (PSM), White Plains, NY (HPN); and a 16-seat 850 based in Scottsdale, AZ (SDL), four Hawker 1000s, based in the Northeast, and a Learjet 60 based in Burlington, VT (BTV), are managed by Maine Aviation Aircraft Charter, part of the MAC Air Group. "The convenient base locations combined with the popularity of these models has seen an average of 35 - 45 hours per month across our entire fleet," comments Allyn Caruso, President of MAC Air Group.

The growing customer base includes celebrities, including many singers and entertainers who

(BLUE SKY article, continued)

2/5/2015

BlueSky Business Aviation News - blueskynews.aero

find the Challenger 850's are comfortable, roomy and ideal for their long domestic and international tours. "We've seen an upturn in the longer range flights which has driven an increase in our charter hours and we anticipate that 2015 will be even busier," continues Caruso.

### First shuttle service added to mix

In addition to the charter activity Maine Aviation Aircraft Charter, began its first ever corporate, shuttle service in December 2014. Served by a 15 passenger VIP Challenger 850 the flight originates in New York on a Friday and travels to The Bahamas, from which it returns on a Sunday. The frequency is extended during the holidays to cover increased demand from the client.

The aircraft has been under Maine Aviation's management for a couple of year's and was selected for the specialized shuttle service owing to its size and range. "We are seeing high demand with passenger numbers of up to 15 making the most of the convenient point to point service," says Caruso about the shuttle. "We are already looking at other areas for this type of service," he concludes.

###

## F. Disclosures

### F.1. Defaults

The Proposer is not party to any Defaults, pending or on-going Lawsuits



MAC's Maintenance facility has a significant customer base; an aircraft travel great distances to utilize the MAC Facility

### F.2. Legal Suits

The Proposer is not party to any Defaults, pending or on-going Lawsuits

### F.3. Proof of Insurance

MAC currently maintains insurance on its aviation operations which meets or exceeds the level currently required by the Portland International Jetport, Federal Aviation Administration and U.S. Department of Transportation.

The officers of MAC have been in discussions with their insurance broker, Crystal and Company, with respect to the additional insurance needs of MAC Air Services operating from the proposed New FBO Complex.

Additionally, the Proposer has made arrangements with their lending bank to issue a letter of credit to cover the bond requirement of the Portland International Jetport. The Proposer will work with the City to insure that all bond requirements are met with the Letter of Credit.

Included are current certificates of Insurance issued to the City of Portland/ Portland International Jetport and Statement from Crystal and Company listing the Companies current policy coverage and their ability to provide the remainder of required insurance policies required by the City. (See Appendix F-3)-

### F.4. Competition Clause

MAC's current and primary business units are charter, maintenance, and aircraft sales. In today's economy most FBO's primary business unit is fuel sales; however, MAC has been successful without fuel sales. Adding fuel sales will only complement MAC's current business core. Northeast is similar to MAC in that it also offers aircraft sales, charter, and maintenance; hence, both businesses are not built purely on fueling. MAC believes there is ample opportunity for both businesses to continue to grow and be

successful. The proposer welcomes the opportunity to meet with the current FBO to discuss future operations.

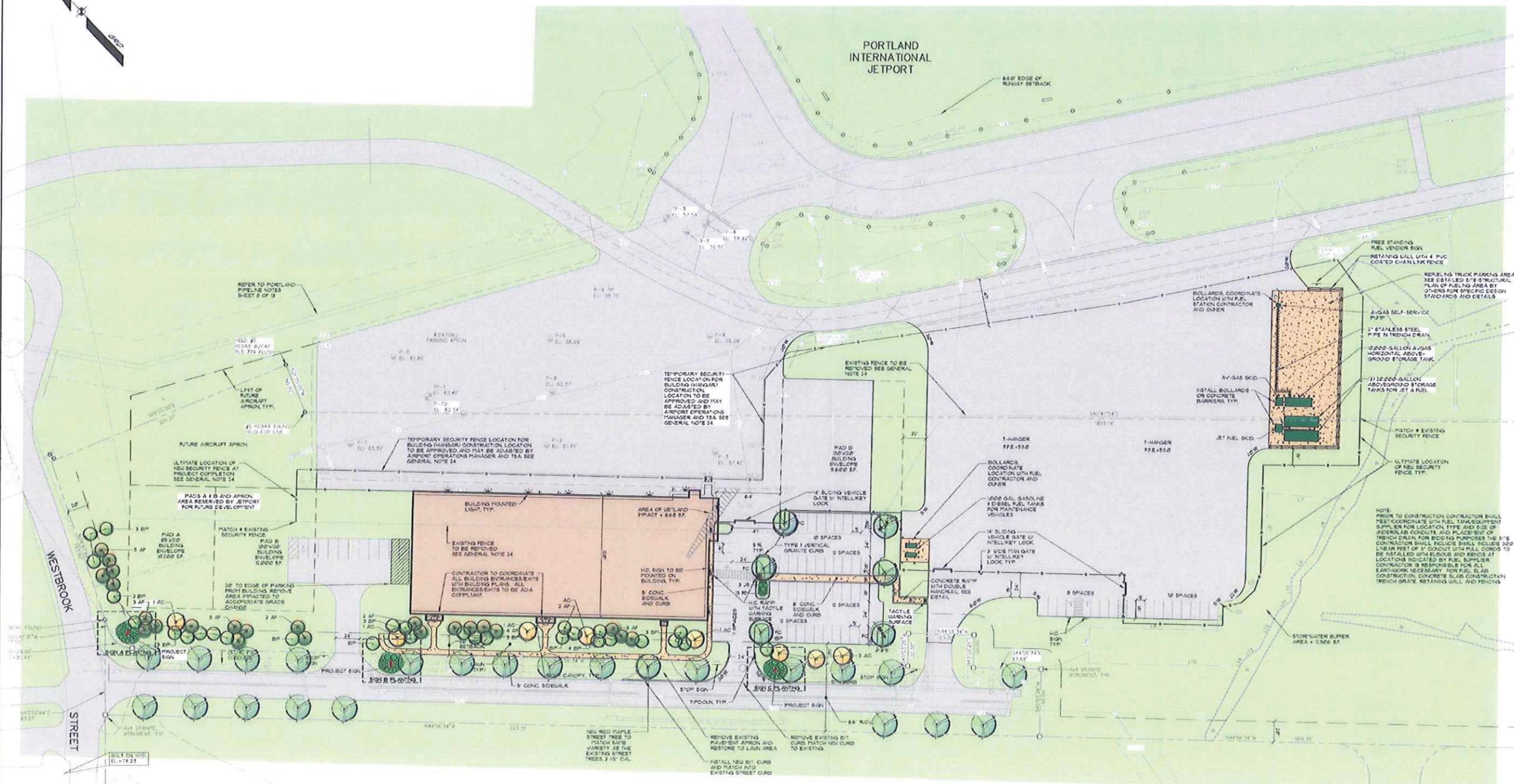
## **G. APPENDICES**

- G.1. Addendum #1 and #2**
  
- G.2. CVs/Bios of Management and Key Staff**
  - Allyn J. Caruso**
  - Alysan M. Caruso**
  - Brigitte Miller**
  - Ryan A. Clyde**
  - Travis Caruso**
  
- G.3. Proof of Insurance**
  
- G.4. Bank Letter of Commitment**
  
- G.5. Plans and Renderings**
  
- G.6. Site Plans and Sketches**

**CD**  
**Corporate Tax Returns**  
**2011-2013**



PORTLAND INTERNATIONAL JETPORT



NOT FOR CONSTRUCTION

PROGRESS PRINT

NO.	DATE	DESCRIPTION
1	04/26/02	ISSUE FOR BID
2	05/03/02	REVISED PAYMENT & SCHEDULE
3	05/03/02	ISSUED FOR PRELIMINARY APPROVAL
4	05/03/02	STATUS
5	05/03/02	DATE
6	05/03/02	BY
7	05/03/02	FOR
8	05/03/02	APPROVED BY OTHER AGENCY

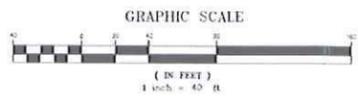
**SEBAGO**

75 JOHN BROWN BL. JUNE 1A  
 100 WESTBROOK STREET  
 PORTLAND, MAINE 04101  
 TEL: 207-763-6666

**LEGEND**

EXISTING	DESCRIPTION	PROPOSED
---	BOUNDARY LINE/ROW	---
---	ADJUTER LINE/ROW	---
---	BITUMASK	---
---	EXISTENT	---
---	NON-EXIST	---
---	IRON PIPE/ROW	---
---	BEYONK-MARK	---
---	TEST PIT	---
---	BORING	---
---	BUILDING	---
---	SIGN	---
---	EDGE PAVEMENT	---
---	PAVEMENT PLANT	---
---	GRAVEL ROAD	---
---	CURB/LE	---
---	CHAIN LINK FENCE	---
---	TEMPORARY FENCE	---
---	WATER	---
---	GATE VALVE	---
---	HYDRANT	---
---	SEWER	---
---	SEWER IN	---
---	STORM DRAIN	---
---	UNDERDRAN	---
---	CATCH BASIN	---
---	DRAINAGE IN	---
---	OVERHEAD	---
---	ELEC. + TEL.	---
---	UNDERGROUND	---
---	ELEC. + TEL.	---
---	ELECTRICAL MANHOLE	---
---	LIGHT POLE/SIGNAL	---
---	UTILITY POLE	---
---	WATER	---

BUILDING AREA: 39,815 SF  
 FUEL PAD AREA: 223 AC  
 APRON AREA: 43 AC  
 PARKING AREA: 871 AC  
 FUTURE BUILDING (PAD D): 5,600 SF



**SITE PLAN**  
 GENERAL AVIATION FACILITY  
 PORTLAND INTERNATIONAL JETPORT  
 FOR MAINE AVIATION CORPORATION  
 PORTLAND, MAINE 04101

DATE	SCALE
04-26-02	1" = 40'
PROJ. NO.	DWG. NAME
07274	04F-5
FIELD BOOK	DESIGN BY
599-559	DMR
DRAWN BY	CHECKED BY
BRF	DMR

CITY OF PORTLAND, MAINE

CONSTRUCT & OPERATE A FIXED BASE OPERATION (FBO) TERMINAL  
AND PROVIDE GENERAL AVIATION FIXED BASE OPERATIONS AT  
THE PORTLAND INTERNATIONAL JETPORT  
RFP #4815

**DATE: FEBRUARY 4, 2015**

---

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

\*\*\*\*\*

**ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.**

\*\*\*\*\*

**MATTHEW FITZGERALD  
PURCHASING MANAGER**

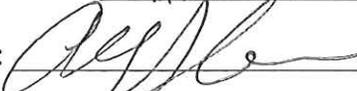
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Please see attached for responses to questions received both at the pre-proposal meeting and after, a list of pre-proposal attendees and a copy of the Powerpoint Presentation given at the meeting by Jetport Director, Paul Bradbury.

---

Receipt of Addendum No.1 to the City of Portland's RFP #4815 for **Construct & Operate a Fixed Base Operation (FBO) Terminal and Provide General Aviation Fixed Base Operations at the Portland International Jetport** is hereby acknowledged.

COMPANY NAME: Maine Aviation Corporation dba MacAir Group

SIGNED BY:  DATE: 2/4/15

PRINT NAME & TITLE: Allen J. Caruso

ADDRESS: 1025 Westbrook St.  
Portland ME 04102

ZIP CODE

CITY OF PORTLAND, MAINE

CONSTRUCT & OPERATE A FIXED BASE OPERATION (FBO) TERMINAL  
AND PROVIDE GENERAL AVIATION FIXED BASE OPERATIONS AT  
THE PORTLAND INTERNATIONAL JETPORT  
RFP #4815

**DATE: FEBRUARY 4, 2015**

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\*\*\*\*\*

**MATTHEW FITZGERALD  
PURCHASING MANAGER**

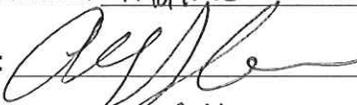
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COMPANY NAME: Maine Aviation Corporation dba MacAir Group

SIGNED BY:  DATE: 2/4/15

PRINT NAME & TITLE: Allen J. Caruso

ADDRESS: 1025 Westbrook St.  
Portland ME 04102

ZIP CODE

**PRE-PROPOSAL MEETING**

**City of Portland, Maine**

**RFP #:** 4815

**PROJECT:** City of Portland, Maine  
Construct & Operate a Fixed Base Operation (FBO) Terminal and Provide General Aviation Fixed Base Operations at the Portland International Jetport

**DATE:** January 29, 2015

**TIME:** 10:00 – 11:45 a.m.

**PRESENT:** City of Portland Employees attending the meeting included: Matt Fitzgerald, City of Portland Purchasing Manager and Paul Bradbury PE, Airport Director.

Also attending in assistance of City staff were: Dwight Anderson P.E., Principal Engineer at FST, who is the project manager on the Jetport’s Sustainable Airport Master Plan and Owens McCullough P.E., VP Engineering at Sebago Technics, who was the project manager for the south ramp site improvements and site plan for this development.

All other attendees of this mandatory pre-proposal meeting are listed below:

<u>NAME</u>	<u>COMPANY</u>	<u>PHONE</u>	<u>FAX</u>	<u>EMAIL</u>
Allyn Caruso	Maine Aviation Corp.	207-780-1811	207-775-3359	<a href="mailto:acaruso@maineaviaiton.com">acaruso@maineaviaiton.com</a>
Jason Jendrasko	Benchmark	207-591-7600	207-591-7604	<a href="mailto:JJendrasko@benchmarkconstruction.org">JJendrasko@benchmarkconstruction.org</a>
Mark Goodwin	Northeast Air	207-774-6318		<a href="mailto:Markg@northeastair.com">Markg@northeastair.com</a>
Nancy Hillward	Hillward Consultants/Tran Security	207-671-5270	207-892-4483	<a href="mailto:nhillward@roadrunner.com">nhillward@roadrunner.com</a>
Robert Greene	Cianbro Cooperation	207-553-2712	207-773-7617	<a href="mailto:rqueene@craubro.com">rqueene@craubro.com</a>
Shane Giles	N.S. Giles Fnd. Inc.	207-942-9445	207-945-3163	<a href="mailto:shane.giles@7sgiles.com">shane.giles@7sgiles.com</a>

Mr. Bradbury opened the meeting by introducing Mr. Fitzgerald and himself.

Mr. Fitzgerald then provided a brief review of the submission requirements for this RFP. He noted proposals must be received by 3:00 PM on February 12, 2015 at City Hall Purchasing Room 103, stressing that proposals received, even a second, after this time will be rejected. He noted this was a mandatory pre-proposal meeting so only firms represented at this meeting that have signed in will be allowed to submit proposals. He also noted that proposals will be evaluated based on the selection criteria outlined on page 30 of the RFP. Additionally, he noted all questions subsequent to this meeting must be submitted in writing to himself as outlined in

the Request for Proposals and that all questions must be received no later than Thursday, February 5, 2015.

Following this Mr. Bradbury the provided a brief presentation on the following:

- An overview of the Jetport – Airport size and location geographically, airlines servicing the Jetport, airline market share, large businesses in the region, passenger catchment, historical passenger volumes, and recent projects and capital expenditures
- A review of the Proposed South FBO Development – Review of the development site, lease plan, minimum qualifications for proposers, and proposed contract information.
- A review of the selection process.

An electronic copy of the complete power point presentation is included with this addendum. The presentation was followed by a question and answer session. The questions and answers are provided below.

**QUESTIONS & ANSWERS:**

*DURING THE PREPROPOSAL MEETING:*

QUESTION #1: Are the qualifications and terms hard or will they be negotiated?

ANSWER #1: The minimum qualifications outlined in this RFP, the Jetport's Development Guidelines, and the Jetport's Minimum Standards are all firm requirements. Market responses to this RFP that exceed these minimums will be used in the selection process/award and may be negotiated with the selected proposer as part of the Lease Agreement.

QUESTION #2: Mr. Bradbury noted a reference on Page 20 second paragraph to an Appendix A Minimum Qualifications Form that is not included in the RFP package.

ANSWER #2: Please strike this paragraph and all references to Minimum Qualifications Form Appendix A from the RFP.

*RECEIVED FOLLOWING THE PRE-PROPOSAL MEETING:*

QUESTION #3: Items B & H on pages 25 and 26 of the RFP appear to be the same, should one be removed or replaced with other information?

ANSWER #3: Please disregard and strike item H on page 26 from the RFP package.

CITY OF PORTLAND, MAINE

CONSTRUCT & OPERATE A FIXED BASE OPERATION (FBO) TERMINAL AND PROVIDE GENERAL AVIATION FIXED BASE OPERATIONS AT THE PORTLAND INTERNATIONAL JETPORT RFP #4815

DATE: FEBRUARY 6, 2015

The attention of firms submitting proposals for the work named in the above Invitation is called to the following modifications to the documents as were issued.

The items set forth herein, whether of clarification, omission, addition and/or substitution, shall be included and form a part of the Contractor's submitted material and the corresponding Contract when executed. No claim for additional compensation, due to lack of knowledge of the contents of this Addendum will be considered.

\*\*\*\*\*

ALL BIDDERS ARE ADVISED THAT RECEIPT OF THIS NOTICE MUST BE DULY ACKNOWLEDGED ON THE BID PROPOSAL FORM OR BY THE INSERTION OF THIS SHEET, SIGNED, AND SUBMITTED WITH YOUR PROPOSAL.

\*\*\*\*\*

MATTHEW FITZGERALD PURCHASING MANAGER

Please see attached for responses to questions received. Please note, this will be the final addendum issued prior to the Proposal opening next Thursday. We will be unable to respond to any further questions.

Receipt of Addendum No.2 to the City of Portland's RFP #4815 for Construct & Operate a Fixed Base Operation (FBO) Terminal and Provide General Aviation Fixed Base Operations at the Portland International Jetport is hereby acknowledged.

COMPANY NAME: Maine Aviation Corp dba Mac Air group
SIGNED BY: [Signature] DATE: 2/6/15
PRINT NAME & TITLE: Allyn J. Russo
ADDRESS: 1025 Westbrook St.
Portland ME, 04102
ZIP CODE

**QUESTIONS:**

1. *Will the City require the selected proposer to meet all of the Portland International Jetport's Minimum Standards for commercial Aeronautical Activities dated April 25, 2012, as defined in Section 3 of such standards before it commences any operations as a Fixed Base Operator?*

The proposer will be obligated to meet all of the Portland International Jetport's Minimum Standards for commercial Aeronautical Activities as defined in Section 3 of such standards. All proposals must be responsive to the current Minimum Standards dated April 25, 2012. If a new FBO is developed through this RFP process, it will not be allowed to commence operations until compliant with the Portland International Jetport Minimum Standards in effect as of that date.

2. *What roll, if any, will the City of South Portland play in the awarding of, and subsequent monitoring of the selected proposer to RFP #4815?*

The development parcel is located in the City of South Portland, so the monitoring would be limited to site plan, building permit approvals, and associated inspections. The City of South Portland does not play a role in the selection process for RFP #4815.

## G-2 CVs of Management and Key Staff

### Allyn J. Caruso

Allyn Caruso is the President and CEO of Maine Aviation Corporation.

Allyn is responsible for overseeing the company's worldwide operations; including Maine Aviation's charter activities and aircraft sales & acquisition in most major markets and countries. He also heads Maine Aviation's joint venture programs and plays a major role in the continued development of strategic aviation partners, ensuring company longevity within an ever changing marketplace. His current projects include the CRJ200 conversions from airliners into first class corporate configuration for private or corporate use.



Allyn literally grew up in aviation and began his career when he was a teenager pumping fuel for his father at Maine Aviation. In the late 1960's he spent college vacations flying twin engine aircraft as a line pilot for his uncle at Bar Harbor Airlines, and then after college for several years. Allyn spent the mid '70's developing Maine Aviation's aircraft sales department into a leading Cessna dealer with a full line of new Cessna Aircraft from single engine to turbo props.

In 1978, because of a family tragedy, he returned to Bar Harbor Airlines as Executive Vice President and became President in 1981. During this time he was instrumental in increasing the company's revenues from 6 million to 115 million, then after the company's sale to Texas Air Corporation in 1986, he remained a consultant with BHA until 1990. Prior to returning to Maine Aviation as the companies CEO in 1994, Allyn held executive positions with Northeast Air Group and Valley Airlines.

Allyn holds a Bachelor of Science Degree in Business Management from Nathaniel Hawthorne College and has an Airline Transport Rating with five jet type ratings and continues to be current in several jet types. Along with many thousands of hours of flying experience, he retains more than 30 world calls aviation records.



## Alysan M. Caruso

Ms. Caruso began her career in aviation as a consultant with Bar Harbor Airlines where she oversaw the restructuring of the accounting department and its various general accounting functions as well as provided guidance and direction to new and additional staff in implementing and integrating new processes into the company.

She has been Vice President of MAC since Sept 2008, prior to which she was General Manager from May, 1994. She is the principal administrator of the Company, reviewing and approving all financial obligations and maintaining the vision of the company. She also establishes policies and objectives of the organization. Since mid-1994, under her leadership, MAC has successfully achieved a twenty-fold increase in sales, with a significantly improved bottom line, focused on business jet charter, maintenance and sales on a global basis. Her flair for marketing has resulted in a new image for MAC as it competes in a competitive marketplace. As a consequence of the Company's growth, Ms. Caruso, in her capacity as Manager of HGL, is committed to developing the proposed new FBO facility to provide room for additional growth for MAC and its clients. With a background in accounting, she became familiar with aviation in the early 1980s working on a consulting basis to BHA in Bangor, auditing its inventory, and restructuring the accounting department to improve profitability.



## Brigitte Miller

As a native of Massachusetts, Ms. Miller has come to love Maine. She has been a committed member of the MAC Air Group for 20 years. During her tenure as CFO since 2001, she has been responsible for the oversight and development of financial reporting for the company, its aircraft owners, and department tracking. Ms. Miller leads the financing and money management effort on behalf of the company by establishing relationships and working directly with the banks and lending institutions. Her responsibilities also include coordinating the preparation of tax returns with the Company's outside accounting firm, negotiating and editing all charter lease and management contracts, and she negotiates rates and manages policies with insurance companies. She works directly with the Managed Aircraft owners to maintain relations and keep owners informed of aircraft finances and activity, budgets and performance information. Prior to joining MAC in mid-1994 as a full charge bookkeeper, Ms. Miller worked for Jet Services-Portland and for Atlantic Properties after graduating from University of Southern Maine in the late 1980s.



## Ryan A. Clyde

Following graduation from Embry-Riddle Aeronautical University in 1996, Mr. Clyde began his aviation career as a flight instructor. Prior to relocating to Maine, Mr. Clyde, a native of New Jersey, served a 10-year stint as the Vice President of Flight Operations and a captain for Tradewinds Aviation (FAR Part 91 & 135) in Michigan. Mr. Clyde currently holds two critical positions in MAC Group Air: he is Director of Flight Operations of MAC, since he joined Maine Aviation Corporation in February 2007 and also is the Director of Operations for Maine Aviation Aircraft Charter's (MAAC) worldwide flight operations. For more than a decade in aviation management, he has promoted safety in developing and maintaining quality training programs, creating and implementing standard operating procedures and interpreting FAA regulations. He has upgraded MAAC's General Operations Manual to the standards of a Part 121 operation, successfully implemented a Safety Management System and is working on qualifying the Company as an IS-BAO certified organization. As his positions with MAC, he oversees 30 crew members and all related training programs, dispatch, FARs relevant to the MAC Part 135 certificate, safety, and is liaison with the FAA.



## Travis Caruso

Born and raised in Maine, Travis Caruso, son of Al & Alysyan, grew up with an airstrip in his back yard and a family business established in aviation – Aviation is 2<sup>nd</sup> nature to him. He joined MAC in mid-1994, having started his career as an aircraft mechanic at Northeast Express Regional Airlines in Bangor in 1991. Currently, Mr. Caruso is Director of Maintenance for MAC operating under Repair station FSER011E, having overall responsibility for all maintenance activities, including supervising 22 employees. He is qualified to perform maintenance on all of the types of the aircraft the Company operates, as well as several other types flown by commercial airlines which are periodically serviced at Portland International Jetport. Mr. Caruso has managed the certification process of the various aircraft operating under the Maine Aviation Aircraft Charter's Aircraft Operating Certificate (AOC), and is responsible for the development of the maintenance capabilities of the Company. He has successfully implemented and enforced a safety program for the overall day to day safe operation of an active maintenance facility. In addition, he works directly with customers building lasting relationship through quality work and accessibility. He has frequently been complimented by customers who are impressed by the meticulously kept hangar and industrious, focused personnel.

### **G.3. Proof of Insurance**

# CRYSTAL & COMPANY

The integrity of independence.

Crystal & Company  
32 Old Slip  
Financial Square  
New York, NY 10005  
DIRECT 212 504-5850  
FAX 646 810-3611  
MAIN 800-221-5830  
Lou.Timpanaro@crystalco.com

February 11, 2015

Mr. Matthew Fitzgerald, Purchasing Manager  
City Of Portland, Maine,  
Purchasing Office, City Hall Room 103  
389 Congress Street,  
Portland, ME 04101

**Re: Our Insured: Maine Aviation, Inc. d/b/a MAC Air Group  
RFP Number 4815  
Portland International Jetport  
Construct & Operate Fixed Base Operation (FBO) Terminal and  
Provide General Aviation Fixed Base Operations**

Dear Mr. Fitzgerald:

As per RFP Number 4815, Minimum Qualifications and Proposal Terms (Page 20) Section 3, Insurances, please find the current insurance in place and insurance that will be secured during the construction of the new Portland International Jetport FBO.

**PROJECT NAME:** Construct & Operate a Fixed Base Operation (FBO) Terminal and Provide General Fixed Base Operations

**LOCATION:** Aviation Boulevard located in the northerly end of Westbrook Street (from Western Avenue in South Portland) and adjacent to the Portland Jetport and Long Creek Youth Center. The location is on airport property owned by the City of Portland, but is located in the City of South Portland on the South side of Runway 11/29.

**OUTLINE OF WORK:** Construction and management of a Fixed Based Operation Terminal and Provide General Aviation Fixed Base Operations consistent with RFP and Portland International Jetport objectives.

# CRYSTAL & COMPANY

The integrity of independence.

## INSURANCE IN EFFECT:

**Aviation Liability Insurance:** General liability policy through Swiss Re for Aviation risks with the following limits:

Premises Liability: \$10,000,000 each occurrence

Products & Completed Operations: \$10,000,000 each occ. /annual aggregate

Hangarkeeper's Legal Liability: \$10,000,000 each aircraft /each occurrence

**Property Insurance:** Property insurance coverage is underwritten by the Travelers Insurance Company and coverage limits are as follows:

Real Property (Buildings): \$965,239 and Personal Property: \$877,700

**Workers' Compensation and Employers Liability:** Workers' Compensation coverage is provided by Old Republic Insurance Company. Employers Liability Insurance Limits are as follows.

Bodily Injury by Accident: \$1,000,000 each accident

Bodily Injury by Disease: \$1,000,000 policy limit

Bodily Injury by Disease: \$1,000,000 each employee

## INSURANCE FOR FBO PROJECT:

### General Liability/Excess Liability:

**Full Wrap-Up Policy:** Will provide MAC Air Group and all contractors. It will also add as a named insured all of the owner entities that will be required. Primary General Liability limits \$1,000,000 Per Occurrence / \$2,000,000 Aggregate including Product and Completed Operations. Excess Limit of Liability, \$10,000,000 Per Occurrence and Aggregate excess of primary or,

**Owner's Interest Policy:** Will provide wrap-up, except it will not provide coverage for a General Contractor (if there is one) or the trades. Primary General Liability limits \$1,000,000 Per Occurrence/\$2,000,000 Aggregate including Product and Completed Operations. Excess Limit of Liability, \$10,000,000 Per Occurrence and Aggregate excess of primary.

**Builder's Risk:** Hard Costs of \$6,250,000 and soft costs of \$500,000.

### Environmental Impairment (Pollution) Insurance:

**Site Pollution Legal Liability Policy:** \$5,000,000 coverage limit on a three year policy term covering the liability of Maine Aviation as a Tenant and adding the City and City Council as Additional Insured. We would schedule the lease as an Insured Contract.

# CRYSTAL & COMPANY

The integrity of independence.

**Contractor's Pollution Policy:** Will Cover the liability associated with the site development for a limit of \$5,000,000. Coverage extended to cover Maine Aviation, the General Contractor and subs during the term of site development with extended completed operations through the applicable statute of repose in the state of Maine.

We trust that the above will be found in order; however, please do not hesitate to contact us with any questions or should you wish to discuss in greater detail.

Sincerely,



Lou Timpanaro  
Senior Managing Director

cc: Brigitte Miller  
Brian Schofield  
Deborah Sewell  
Mark Shichtman  
Jose Nieto

# North American Elite Insurance Company

## Certificate of Insurance

Certificate Holder: City of Portland/Portland International Jetport

Attn: Paul Bradberry

1001 Westbrook Street

Portland, ME 04102

Named Insured: Maine Aviation Corporation DBA MAC Air Group

Portland International Jetport, 1025 Westbrook Street

Portland, ME 04102

Policy Period: From May 7, 2014 To May 7, 2015

Policy Number: FGG0000144-00

Issuing Company: North American Elite Insurance Company

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the Insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Aviation Commercial General Liability	Limits of Insurance	
Each Occurrence Limit	\$ 10,000,000	
Damage to Premises Rented to You Limit	\$ 1,000,000	Any one premises
Medical Expense Limit	\$ 50,000	Any one person
Personal & Advertising Injury Aggregate Limit	\$ 10,000,000	
General Aggregate Limit	\$ Not Applicable	
Products/Completed Operations Aggregate Limit	\$ 10,000,000	
Hangarkeepers Limit		
Each Aircraft Limit	\$ 10,000,000	
Each Loss Limit	\$ 10,000,000	
Hangarkeeper's Deductible	\$ 5,000	Each Aircraft

### Additional Insured

As respects liability coverage for "bodily injury", "property damage" or "personal and advertising injury", the definition of Insured in the above stated Policy has been amended to include the Certificate Holder, but only with respect to his, her, or its liability arising out of ownership, maintenance or use of that part of the premises leased to Named Insured.

### Notice of Cancellation

The Insurer shall endeavor to provide 30 days written notice of cancellation to the Certificate Holder at the address stated above in the event the Insurer elects to cancel the Policy (10 days if cancelled for non-payment of premium).

Issued Date: February 6, 2015

By



(Authorized Representative)



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
2/6/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Frank Crystal & Co., Inc. dba Crystal & Company Financial Square, 32 Old Slip New York NY 10005	<b>CONTACT NAME:</b> Jose Nieto	
	<b>PHONE (A/C, No, Ext):</b> 212-504-5973	<b>FAX (A/C, No):</b> 646-810-3611
<b>E-MAIL ADDRESS:</b> Jose.Nieto@Crystalco.com		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A :</b> Old Republic Insurance Company		24147
<b>INSURER B :</b>		
<b>INSURER C :</b>		
<b>INSURER D :</b>		
<b>INSURER E :</b>		
<b>INSURER F :</b>		

**INSURED** MAINAV1

Maine Aviation Corporation  
 Portland International Jetport  
 1025 Westbrook Street, Brigitte Miller  
 Portland ME 04102

**COVERAGES** CERTIFICATE NUMBER: 392341632 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$	
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	OCAN03337005	9/11/2014	9/11/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Re: Evidence of Insurance Only

<b>CERTIFICATE HOLDER</b>  City of Portland/Portland International Jetport Attn: Paul Bradberry 1001 Westbrook Street Portland, ME 04102	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Crystal &amp; Company</i>
---	--

## G.4. Bank Letter of Commitment



**TD Bank**  
America's Most Convenient Bank®  
One Portland Square  
P. O. Box 9540  
Portland, ME 04112-9540  
T 207 761 8600  
F 207 761 8660

[tdbank.com](http://tdbank.com)

February 5, 2015

Allyn Caruso  
Maine Aviation Corporation  
1025 Westbrook Street  
Portland, ME 04102

Dear Allyn:

On behalf of TD Bank, N.A. (the "Bank"), I am pleased to offer Hangar Group, LLC (the "Borrower") a commitment for the credit accommodations (the "Credit Accommodations") which include construction financing for completion of a new FBO facility and the supporting Letter of Credit in favor of the City of Portland and that are described on the attached term sheet, subject to the following and the terms and conditions set forth on the attachments to this letter. The Terms and Conditions of Loan and the Commitment Letter Rider dated of even date herewith are attached and are made part of this commitment letter with the same force and effect as if they were set forth herein.

If the terms and conditions set forth herein are acceptable to you, please acknowledge below and return a signed counterpart to this letter on or before the close of business on March 15, 2015. The Bank's commitment hereunder will expire in the event the Bank has not received such acceptance on or before March 15, 2015 or the closing has not occurred by June 1, 2015, all in accordance with the prior sentence, and the Bank will be under no obligation to offer any further Credit Accommodations.

The Bank may terminate this commitment letter, and will have no obligation to extend the Credit Accommodations, upon the happening of any of the following events: (a) the Bank does not receive the accepted copy of this commitment by March 15, 2015; (b) the Credit Accommodation do not for any reason close by June 1, 2015; (c) the Borrower's failure to comply with any term or condition set forth herein or in the attached Terms and Conditions of Loan or the Commitment Letter Rider; (d) any material adverse change occurs with respect to the economic value, business assets, liabilities, results of operations or condition (financial or otherwise) of the Borrower or any guarantor; (e) any report or statement made to the Bank by the Borrower or any guarantor in connection herewith is or proves to be false or misleading in any material respect as of the date made or furnished; or (f) any collateral securing the Credit Accommodations shall be materially damaged by fire or other casualty.

Hangar Group, LLC  
February 5, 2015  
Page 2

The documents signed at closing shall be deemed to be the final and complete expression of the agreement Bank and the Borrower with respect to the Credit Accommodation. Any terms and conditions that have been discussed, negotiated, agreed to or that are part of this Commitment letter and are not included in the terms and conditions of the documents signed at closing shall be deemed waived and superseded by the documents signed at closing. This commitment letter is not intended to survive closing of the Credit Accommodation.

If you have any questions or comments on the terms of this letter, please do not hesitate to call me.

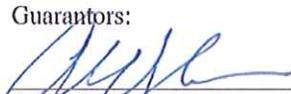
Very truly yours,  
TD Bank, N.A.

By:   
William Schad  
Senior Commercial Loan Officer

The above commitment is hereby accepted:

Hangar Group, LLC  
By:   
Its: 

The undersigned hereby acknowledges the above letter and agrees to provide the guaranty referenced therein to be provided by the undersigned.

Guarantors:  
  
Allyn Caruso

Maine Aviation Corporation  
By:   
Its: President

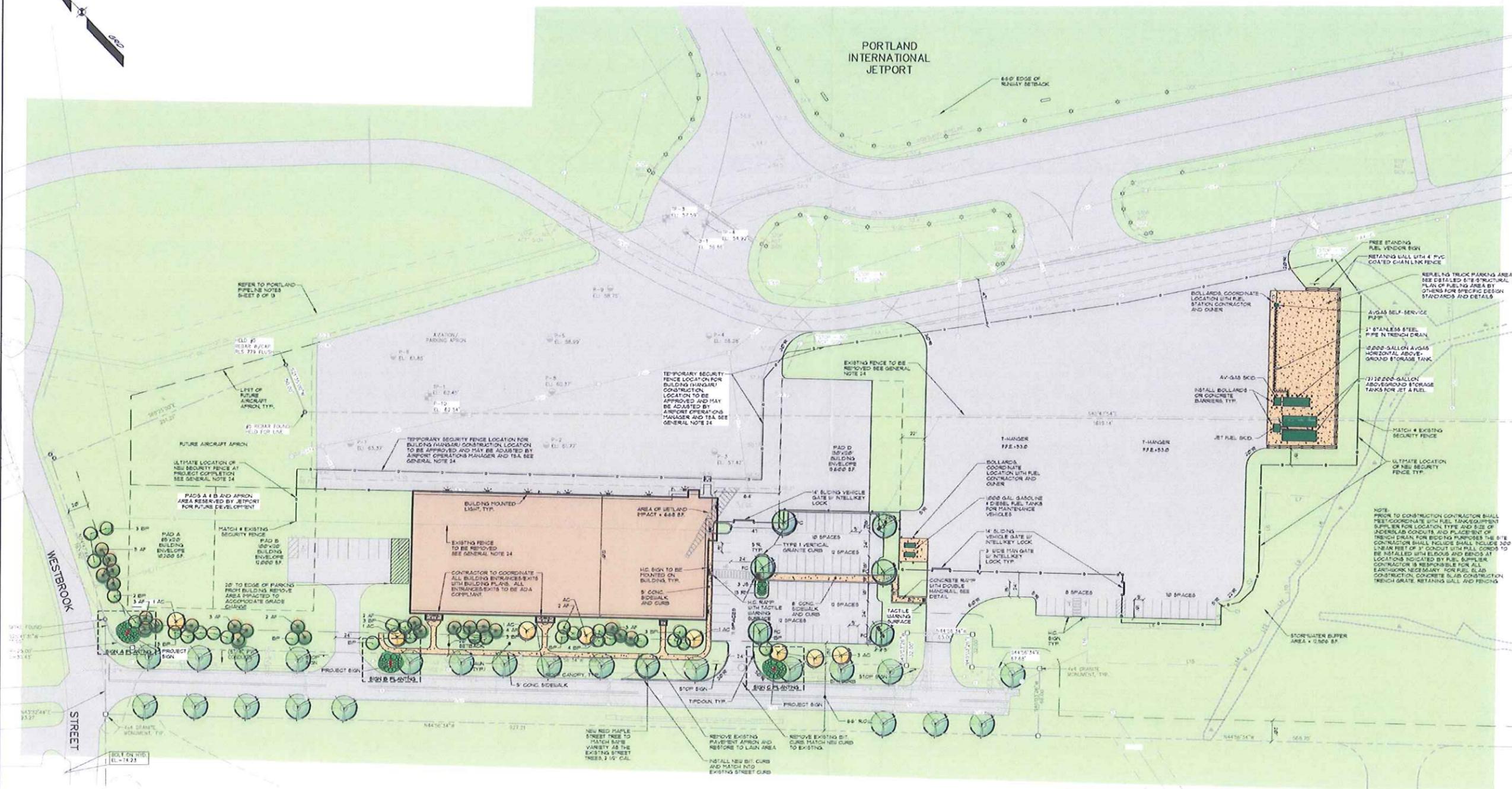
## G.5. Plans and Renderings

## **G.6. Site Plans and Sketches**

- Site plan update illustrated by Sebago Technics- Note the fencing structure pre and post construction



PORTLAND INTERNATIONAL JETPORT



NOT FOR CONSTRUCTION

PROGRESS PRINT

DATE	SCALE
04-26-02	1" = 40'
PROJ. NO.	DWG. NAME
07874	GAF-S
FIELD BOOK	DESIGN BY
559-559	DMR
DRAWN BY	CHECKED BY
BRF	OMM

**SEBAGO**

70 John Hancock Rd., Suite 1A  
100 Westbrook Street, 11  
Portland, Maine 04102  
Tel: 207-762-0500

**SITE PLAN**

GENERAL AVIATION FACILITY  
PORTLAND INTERNATIONAL JETPORT  
PORTLAND, MAINE

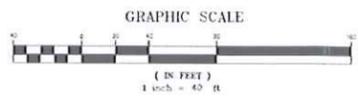
FOR: MAINE AVIATION CORPORATION  
100 WESTBROOK STREET, 11  
PORTLAND, MAINE 04102

DATE	SCALE
04-26-02	1" = 40'
PROJ. NO.	DWG. NAME
07874	GAF-S
FIELD BOOK	DESIGN BY
559-559	DMR
DRAWN BY	CHECKED BY
BRF	OMM

**LEGEND**

EXISTING	DESCRIPTION	PROPOSED
---	BOUNDARY LINE (C/L)	---
---	ADJUTER LINE (C/L)	---
---	SETBACK	---
---	EDGE PAVEMENT	---
---	PAVEMENT PLANT	---
---	GRAVEL ROAD	---
---	CURBLINE	---
---	CHAIN LINK FENCE	---
---	TEMPORARY FENCE	---
---	PIPE	---
---	WATER	---
---	GAS	---
---	GATE VALVE	---
---	HYDRANT	---
---	SEWER	---
---	SEWER-TX	---
---	STORM DRAIN	---
---	UNDERDRAN	---
---	CATCH BASIN	---
---	DRAINAGE-TX	---
---	OVERHEAD	---
---	ELEC. + TEL.	---
---	UNDERGROUND	---
---	ELEC. + TEL.	---
---	ELECTRICAL MANHOLE	---
---	LIGHT POLE/SIGNAL	---
---	UTILITY POLE	---
---	OUT	---

BUILDING AREA: 39,818 SF  
 FUEL PAD AREA: 223 AC  
 APRON AREA: 43 AC  
 PARKING AREA: 671 AC  
 FUTURE BUILDING (PAD D): 5,600 SF



# PROPOSED AGREEMENT

## EXHIBIT C

### Tenant Parties

Maine Aviation Corporation, d/b/a MAC Air Group

MAC Aircraft Sales, LLC

Maine Aviation Aircraft Maintenance, LLC

B.H.A. Leasing, Inc.

Maine Aviation Aircraft Charter, LLC

Maine Aviation Aircraft Leasing, LLC

Q Jets, LLC

Maine Aviation Aircraft Flight School, LLC

MAC Air Services, LLC

# PROPOSED AGREEMENT

## EXHIBIT D

### Insurance Requirements

# PROPOSED AGREEMENT

## APPENDIX

	Self-Fueling	Non-Commercial Hangar	General Aviation Deicing	Air Carrier De-icing	Commercial Hangar	Temporary Specialized Commercial	Specialized Commercial	Aircraft Sales	Aircraft Charter or Aircraft Management	Aircraft Rental, Flying Club, Flight Training	Avionics, Instrument, Propeller Repair	Aircraft Maintenance	Fixed Base Operator
<b>COMMERCIAL GENERAL LIABILITY (Combined Single Limit)</b>													
Each Occurrence	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 25,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>VEHICULAR LIABILITY OF BUSINESS AUTOMOBILE LIABILITY (Combined Single Limit)</b>													
Each Occurrence	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>HANGAR KEEPER'S LIABILITY (Largest Aircraft Accommodated)</b>													
SE Piston													
Each Aircraft	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Each Occurrence	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
ME Piston													
Each Aircraft	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Each Occurrence	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
SE Turboprop													
Each Aircraft	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Each Occurrence	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
ME Turboprop													
Each Aircraft	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Each Occurrence	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Light Turbine													
Each Aircraft	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Each Occurrence	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Medium Turbine													
Each Aircraft	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Each Occurrence	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Heavy Turbine													
Each Aircraft	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Each Occurrence	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
<b>AIRCRAFT AND PASSENGER LIABILITY (Combined Single Limit, Each Occurrence)</b>													
SE Piston													
ME Piston													
SE and ME Turboprop													
Light Turbine													
Medium Turbine													
Heavy Turbine													
Student and Renters													
CFI Professional Liability													
SE Piston													
ME Piston													
SE and ME Turboprop													
Light Turbine													
Medium Turbine													
Heavy Turbine													
Student and Renters													
CFI Professional Liability													