

**CITY OF CLEVELAND
MUNICIPAL AIRPORT AUTHORITY
AGENDA
WORK SESSION
May 12, 2016
8:00 A.M.**

I. ROLL CALL

- A. _____ Lou Patten (Chairman)
- B. _____ Verrill Norwood (Vice Chairman)
- C. _____ Lynn DeVault (Secretary/Treasurer)
- D. _____ Mike McCoy
- E. _____ Steve Wright

II. INTERVIEWS WITH POTENTIAL FBO SERVICE PROVIDERS

- A. Crystal Air (Taylor Newman)
- B. VOLO Aviation (Brian Ciambra)
- C. Corporate Flight Management (Allen Howell)

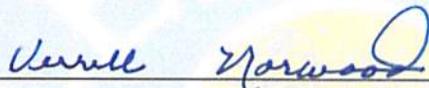
CLEVELAND MUNICIPAL AIRPORT AUTHORITY

- ROLL CALL -

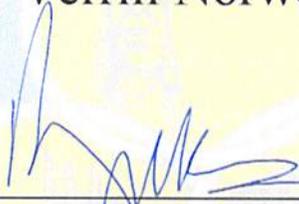
WORK SESSION DATE: May 12, 2016



Lou Patten

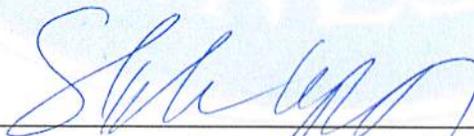


Verrill Norwood



Lynn DeVault

Mike McCoy



Steve Wright

CLEVELAND MUNICIPAL AIRPORT AUTHORITY

SIGN IN SHEET

WORK SESSION DATE: May 12, 2016

Name & Company Name: (<u>PRINT</u>)	Address:	E-mail:
1 Patrick Sutter Jones Airways		<u>psutter@pmsmanagement.com</u>
2 Shawn McKay CITY		
3 Melinda Carroll City		<u>mcarroll@clevelandtn.gov</u>
4 Brian Moran City		<u>bmoran@clevelandtn.gov</u>
5 Janice Casteel City		<u>jcasteel@clevelandtn.gov</u>
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CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100

FBO Application and Proposal

May 9, 2016

CRYSTAL AIR, INC.

**P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100**

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Formal Application per minimum standards

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May 9, 2016

Application for FBO, Maintenance, Flight Training, Hangar Rental, and Air Charter and formal proposal.

This application is presented as required under the Cleveland Regional Airport Minimum Standards dated February 26, 2016 in section 2.3.1.

2.3.1.1 Crystal Air, Inc.
P.O. Box 21347
Chattanooga, TN 37424
(423) 472-4343 for Cleveland
(423) 236-5100 for Chattanooga

2.3.1.2 Crystal Air plans to continue to offer the excellent service that this community has become accustomed to during our tenure at the Cleveland Regional Jetport. We plan to offer a full complement of services that most Fixed Base Operators offer to any community. These services include but are not limited to: Customer Service, Fuel Services (Jet Fuel and AvGas), Rental Car, Hangar, Courtesy Car, administration and management of the authority's terminal building and t-hangars. We will also continue to offer the area's premium flight training and aircraft rental. We will offer aircraft maintenance at the airport. We will also provide air charter services as needed at the airport.

- **2.3.1.3** We plan to start these operations on July 1, 2016.

2.3.1.4 We will lease from the authority the terminal building, the community hangar adjacent to the terminal, and the 40 t hangars that the authority currently has constructed. We will also lease the tie down area and the public ramp space available. We would also like the first right to lease any future buildings built with public funds at the airport. We would negotiate the rate for those facilities. The authority could also not build any buildings that would be in competition of our leasehold. The authority would also supply Crystal Air, Inc. the tow tractor, ground power unit, and other FBO equipment that the authority currently owns.

2.3.1.5 We plan to not construct any additional improvements at the airport. The area we propose to lease is public record.

2.3.1.6 We would provide at least 1 aircraft for flight training and rental. Currently we operate 3 aircraft at the Cleveland Regional Jetport for rental and training. One of these aircraft is currently on our FAA approved air carrier certificate and another will be added shortly. One is a light sport aircraft (LSA), which does draw in renters and students from more than 50 miles because it is the only modern LSA in the area for rental.

2.3.1.7 We would staff the facility as appropriate to serve our customers and keep an appropriate level of safety for our staff and those involved. I will highlight some forward looking increases in staffing in a later section.

2.3.1.8 We currently operate the FBO hours from 8 am until 5 pm. We believe in the past 3 years this has proven to be the proper hours for this facility. Our maintenance, flight training, and charter hours will be directly dependent on customer needs.

2.3.1.9 The minimum standards ask for a current and complete financial statement. We have included various parts of our 2015 tax return and our latest QuickBooks balance sheet as of March 31, 2016 as Attachment D.

2.3.1.10 The evidence of our financial capabilities is our ability to survive the ups and downs in the aviation industry since 1995. It may not have been easy but we have never wavered in our pursuit of excellence in customer service. Last year we experienced our most profitable year in the past decade. We currently do not have any judgements or levies and we have never filed for bankruptcy protection.

2.3.1.11 We do believe that most of our current coverage is what is appropriate for the types of operations at this facility. Our proposal is based on the insurance coverages covered in our letter dated May 4, 2016 to the authority. The Authority needs to revisit the terms in the minimum standards.

2.3.1.12 We have attached our FAA air carrier certificate as attachment E. We have listed below our corporate staff and their experience. For privacy concerns, we are not providing copies of their certificates but you can confirm these with the appropriate government organization.

Taylor Newman is a Calhoun, TN native and is the founder of Crystal Air, Inc. and serves as the company's president. Taylor has 24 years of FBO experience ranging in all aspects of operations. Taylor is a graduate of Middle Tennessee State University with a degree in Aerospace emphasizing in administration. Taylor serves as the company's FAA part 135 charter operation's Director of Operations, a line pilot and check airman. Taylor also is the Vice President of Hiwassee Construction Company, Inc. which installs natural gas lines in Bradley, Hamilton, Dade, Catoosa, Walker and Murray County for Atlanta Gas Light Company. Taylor holds a commercial single and multi-engine instrument land certificate and flight instructor certificates in the same category and classes. He is a Gold Seal designated FAA flight instructor.

Kevin Webb is a Chattanooga, TN native and is the Chief Pilot for Crystal Air, Inc's charter operation. He has been involved in aviation for 20 years and is a graduate of University of Tennessee, Chattanooga with a degree in Civil Engineering. Kevin holds an Airline Transport Pilot Certificate for multiengine aircraft and a commercial single engine aircraft.

Rebecca Gibson is from Goodlettsville, TN and is the company's Chief Flight Instructor. She has been involved in aviation for 20 years. 11 of those years she worked mainly at the Sewanee Franklin County Airport in a managerial and flight instructor capacity. During this time Crystal Air Inc. taught aviation classes at the University of the South and also operated in an airport manager capacity and a FBO capacity. Rebecca is a graduate of Middle Tennessee State University with a degree in Aerospace with an emphasis in Professional Pilot. She also has a master's degree in Aerospace Education from Middle Tennessee State University. Prior to working with Crystal Air' Inc., she worked as an assistant chief flight instructor for Middle Tennessee State University. She is also a company charter pilot. Rebecca holds a commercial single and multi-engine instrument land certificate and flight instructor certificates in the same category and classes.

Clay Derryberry is our company Director of Maintenance. Prior to working with us, he worked for 34 years at the Lewisburg Municipal Airport, in Lewisburg, TN. He also managed the Columbia-Maury County Airport from 1988 to 1993. During his tenure at Lewisburg and Columbia, he was the airport manager, FBO manager which included operating his own aircraft maintenance shop, flight school and

air charter service. Clay holds a commercial helicopter, Airline Transport Pilot single and multi-engine instrument land certificate and flight instructor certificates in the same categories and classes. Clay is also an Airframe and Powerplant Mechanic with Inspection Authorization.

Bryan Janish is our FBO facility manager at the Cleveland Regional Jetport. Bryan is from Ooltewah, TN and is an U.S. Air Force veteran. He has worked in civilian aviation for 13 years, 11 of those years were at the Fulton County Airport in Atlanta and at the Chattanooga Metropolitan Airport. Bryan understands the importance of what a quality FBO can do for the customer and therefore the community.

2.3.1.13 We believe the authority would like to have the below information to further make a decision as related to this formal proposal:

1. A general business plan – Attachment A
2. A revision of what the authority budget would look like - Attachment B
3. Customer Comments from Airnav – Attachment F
4. Letters of recommendations – Attachment G
5. Emails of recommendations from various Crystal Air customers – Attachment H
6. Copy of our existing insurance coverages – Attachment C

Please review the attached documents and we look forward to answering your questions at the work session on May 12th.

Sincerely



A. Taylor Newman
Director of Operations
Crystal Air, Inc.

CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
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(423) 236-5100

Attachment A

Attachment A

Business Plan

Crystal Air, Inc. has stated many times that an airport is another gateway to a city akin to any exit ramp from an interstate or a port facility from any waterway. We believe for numerous years we have performed in a very inviting, professional, and corporate capacity for the municipalities and customers that we have served. Many of them have commented and are included in the various attachments to this document. In this area of our proposal we will get into the nuts and bolts of what we see the future of the airport and where our company fits in.

We believe that the authority and the FBO or any tenant should exist completely separate from each other. Each has its own position and responsibilities. The FBO's responsibility is to provide a warm open front door to the community and to the users of the airport. The sponsoring municipality should be responsible for the upkeep and welfare of the infrastructure and the property that is held in the community's trust.

Crystal Air Inc., proposes the following:

- **Operation of the FBO.** We would provide fuel services, rental car, courtesy car, hangar space, tie downs, and other customary services of an FBO. We would negotiate with your existing tenants new fuel discounts as appropriate to each tenant's consumption and we feel that the Authority's existing agreements that relate to tenants purchasing the fuel from the Authority at a discounted rate would be null and void. So all fuel would be purchased through the FBO with the exception of those that have their own fuel farm. If a tenant has its own fuel farm, the authority should be getting a flowage fee from that tenant. We will also manage the terminal building including reservations for any room rentals. We plan to continue as a Shell branded facility but we do have a good working relationship with the Phillips Aviation Fuels franchisee. We will continue to offer Hertz and Enterprise rental cars. We plan to use the NATA Safety 1st, line service training program operations at the Cleveland Regional Jetport. We believe this training program greatly exceeds the required Shell training program and we have already incorporated several parts of this program.
- **Operation of a maintenance facility.** We have a confidential business plan that develops from what we have had as a small maintenance organization at the airport to the area's premier maintenance organization. This area needs a good, consistent, maintenance organization and with a longer term commitment from the Authority we could recruit and grow the talent needed to forward our business plan on this front. With the growth of this maintenance facility we would need more hangar space and would look forward to the creation of future space which we would rent from the Authority.
- **Flight Instruction and Aircraft Rental.** We have a long track record in the community for providing first class flight instruction and some of the newest aircraft in the market. This will continue under our proposal. We currently recruit domestic students to the Cleveland Regional Jetport from as far away as Knoxville and have had international students and renters from as far away as Belgium and Germany. Many but not all of these students were employed with industry that is in Bradley County. We are currently designated as a Cessna Pilot Center at our Chattanooga location and with approval of a contract at Cleveland, this location would also be designated as a Cessna Pilot Center.

- **Charter Operations.** Our aircraft charter operations have evolved and will continue to evolve. While the jetport was being constructed, we flew another large industry in Bradley County almost on a daily basis while they were also engineering and constructing their facility. These flights have trickled off now that the newest project has been completed. We completed 378 flights between Cleveland and Copperhill during the Fall of 2010 to the Spring of 2011 when Highway 64 was closed due to a rock slide. We continue to offer charter services to numerous individuals and corporations in Bradley County. If we do not have the ability to meet the need of the requestor, we have regular relationships with many larger charter firms and we contract out the trip to them.
- **T-Hangar's.** We also believe in fostering a relationship with the base tenants and our business plan includes the management of the Authority's T-hangars. The FBO is the first entity anyone calls when looking for hangar space and we can directly control whom is in the hangar. This also allows us to develop a relationship with the T-hangar client and offer them discounts for other services such as fuel and maintenance.
- **Community Development.** We believe community development is also a key that we can foster at the airport for a benefit to all parties involved. There is a need for more maintenance professionals in the aviation industry. We believe that this is a prime time to foster a relationship with Cleveland State Community College or another organization in development of a curriculum. Many parties in Bradley and Hamilton County could benefit with a program that instructed and developed Airframe and Powerplant mechanics. We also have an ongoing relationship with many other organizations in the community and we can use this to possibly foster other curriculums such as an Introduction to Aviation at Lee University similar to the curriculum we instructed during our tenure at the University of the South.

With the above listed changes, we have revised the Authority's budget, both expense and revenue and I will explain those points below.

City Revenue Budget Code	Crystal Air Comments
37511, 37513	Crystal Air takes on all the risk of selling fuel and pays the Authority twelve cents (\$0.12) per gallon flowage fee. All references to the Authority paying or processing any fuel is removed or adjusted in the Authority budget. With a budgeted 254,000 gallons pumped per year, this would result in an income to the Authority of \$30,480.
37514	The Authority would bill for ground/land lease tenants.
37416	Crystal Air bills for T hangar renters and remits two hundred dollars (\$200.00) per leased T hangar. This would be under a new T hangar agreement with Crystal Air and these hangars would be part of Crystal Air's leasehold. We would increase our insurance to cover the increase in leasehold aircraft covered.
37517, 37520	All revenue for any rental income would come to Crystal Air, Inc., not the Authority. We would not charge for the airport manager's office space in the terminal.
37518	Crystal Air will receive all tie down income.
37519	Crystal Air will pay \$1250.00 per month for the community hangar.
37521	Crystal Air will retain any payment from use of the GPU.
37522	The Authority will retain video advertisement fees.
37523	Crystal Air will retain any ramp fee or facility use payments.

37524	The Authority will retain any special events fees.
37525	Crystal Air will report any sales tax payable on the sales of fuel.

With these budgetary changes you will find that it reduces the needs of the airport to \$229,700 and the income changes we propose above will leave the Authority budget with a budgeted income of \$234,780. The current proposed budgets as of 5/4/2016 were an income of \$1,159,100 with expenses of \$1,146,700.

We believe the proposed responsibility changes and budget changes will allow for the airport to flourish. We do believe the minimum standards need to be reviewed again to further change the document for the good of all parties involved. We also believe that we are the community's choice for whom should be the FBO at the airport because of the longstanding relationships that have been developed by our staff within the local aviation community over the past 24 years.

I look forward to your questions and comments at the May 12th meeting.

Sincerely

A. Taylor Newman
Director of Operations
Crystal Air, Inc.

CRYSTAL AIR, INC.

**P.O. Box 21347
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(423) 236-5100**

Attachment B

FUND #110 - GENERAL FUND									
REVENUES									
OBJECT CODE	2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET	2016-2017 Proposed with Crystal Air changes			
Public Enterprise:									
37511 JETPORT- JET FUEL	558,202	846,000	614,100	675,500		26,760	.12 fuel flowage @ 223,000 gallons		
37513 JETPORT - AVGAS	172,818	193,900	193,900	213,000		3,720	.12 fuel flowage @ 31,000 gallons		
37514 JETPORT - GROUND/LAND LEASE	67,395	57,500	78,300	78,300		78,300	city bills directly		
37516 JETPORT - T-HANGAR RENT	69,568	100,800	100,800	135,800		96,000	\$200 per leased t hangar to city		
37517 JETPORT - TERMINAL BLDG RENTAL	4,595	7,500	5,000	5,000		0			
37518 JETPORT - TIE DOWNS	3,459	2,500	4,500	5,000		0			
37519 JETPORT - COMMUNITY HANGAR	981	1,500	8,100	15,000		15,000	\$1250 per month		
37520 JETPORT- TERMINAL BUILDING	50,000	0	4,000	4,000		0			
37521 GPU SERVICE FEE	495	0	700	700		0			
37522 JETPORT - VIDEO ADVERTISEMENT	10,000	15,000	10,000	10,000		10,000			
37523 JETPORT - RAMP FEE	9,907	16,000	11,000	12,000		0			
37524 JETPORT - SPECIAL EVENTS	10,608	20,500	5,000	5,000		5,000			
37525 JETPORT - SALES TAX	19,448	0	0	0		0			
Subtotal:	977,476	1,261,200	1,035,400	1,159,100	0	234,760			

FUND 110-GENERAL FUND		DEPT-52500- CLEVELAND REGIONAL JETPORT						
OBJECT CODE		2014-2015 ACTUAL BUDGET	2015-2016 ORIGINAL BUDGET	2015-2016 AMENDED BUDGET	2016-2017 REQUESTED BUDGET	2016-2017 PROPOSED BUDGET	Crystal Air Proposed	
Personnel and fringe benefits:								
111	SALARIES	71,268	73,400	73,400	75,900		75,900	
119	CONTRACTED SERVICES-FBO	77,992	92,000	133,000	190,000		0	
133	SOLD VACATIONS	0	1,500	1,500	1,500		1,500	
134	CHRISTMAS BONUS	148	200	200	200		200	
138	SICK PAY INCENTIVE	0	0	0	300		300	
140	DENTAL INSURANCE	0	0	0	700		700	
141	SOCIAL SECURITY TAXES	5,797	5,900	6,200	6,400		6,400	
142	HEALTH INSURANCE EXP	0	0	0	6,000		6,000	
143	RETIREMENT EXP	12,556	12,600	13,400	13,800		13,800	
144	LIFE/DISABILITY INSURANCE	839	900	900	900		900	
145	VISION INSURANCE	8	0	0	200		200	
149	WORKER'S COMP CLAIMS	0	500	500	500		500	
191	LAUNDRY & DRY CLEANING	50	600	600	600		600	
197	CLOTHING ALLOWANCE	350	400	400	400		400	
Subtotal:		169,008	188,000	230,100	297,400	0	107,400	
Operating Expenditures:								
211	POSTAGE/SHIPPING EXPENSE	136	300	300	300		300	
221	PRINTING EXPENSE	0	500	500	500		500	
228	SERVICE AGREEMENT-CU	0	0	0	0		0	
237	ADVERTISING	1,357	5,000	5,000	4,000		4,000	
239	SUBSC & MEMBERSHIP	1,514	1,000	1,500	1,600		1,600	
241	UTILITIES EXPENSE	43,349	45,000	45,000	39,000		39,000	
245	TELEPHONE EXPENSE	11,771	15,300	15,300	10,000		10,000	
251	CONTRACTED SERV-SECURITY	0	1,000	1,000	1,000		1,000	
266	BUILDING MAINTENANCE	6,674	6,000	7,500	8,000		8,000	
267	GROUND MAINTENANCE	5,189	8,000	10,650	10,000		10,000	
282	CAR ALLOWANCE	4,200	4,200	4,200	4,200		4,200	
283	TRAVEL & TRAINING	1,847	3,000	3,000	3,000		3,000	
288	DEPT/WORK SESSION MEALS	363	2,000	600	500		500	
290	CREDIT CARD FEES	9,379	12,000	12,000	12,000		0	
291	LEASE AGREEMENT EXPENSE	30,000	30,000	15,000	0		0	
292	FUEL TRUCK LEASES	5,000	12,000	12,000	12,000		0	
293	CONTRACTED SERVICES - MOW	0	0	4,000	15,000		15,000	
319	OFFICE SUPPLIES	455	1,200	1,200	1,200		1,200	
321	OPERATING EXPENSE	0	1,500	700	500		500	
324	JANITORIAL EXPENSE	0	2,000	2,000	0		0	
331	GASOLINE EXPENSE	1,484	3,000	1,800	1,800		1,800	
332	REPAIRS & PARTS	5,155	5,000	7,000	8,000		8,000	
333	AVGAS & JETFUEL PURCHASE	544,818	900,000	868,100	703,000		0	
511	INS-BLDGS & CONTENTS	9,777	9,800	9,629	10,100		10,100	
512	INS-VEHICLES & EQUIP	0	0	332	400		400	
513	INS-GENERAL LIABILITY	3,410	3,500	1,218	1,300		1,300	
599	MISCELLANEOUS	482	500	500	500		500	
Subtotal:		686,340	1,071,800	829,927	847,900	0	120,900	
Capital outlay and debt service:								
921	HARDWICK-JONES HANGER	21,177	0	0	0		0	
930	MITIGATION AT ROLLING HILLS	16,579	0	0	0		0	
942	SMALL EQUIPMENT	0	1,400	1,400	1,400		1,400	
Subtotal:		37,756	1,400	1,400	1,400	0	1,400	
TOTAL	DEPARTMENT 41710	893,104	1,261,200	1,061,427	1,146,700	0	229,700	

CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100

Attachment C



200 Liberty Street, 25th Floor
New York, NY 10281

Insured: Crystal Air, Inc
Address: 251 Dry Valley Road NE, Cleveland, TN 37312
Policy Period: From June 1, 2015 To June 1, 2016 At 12:01 AM Standard Time at Insured's Mailing Address Shown Above
Broker: Eastern Aviation Insurance Services, LLC
Address: 3070 Five Forks Trukum Road, Lilburn, GA 30047
Attention: Terry Britt
Underwriter: Richard DeMico - tel. 212-915-6629
Policy Number: UA00009857AV15A
Date: 29-May-2015

**Comprehensive General Liability Binder
XL Specialty Insurance Company**

Products-Completed Operations Aggregate Limit	\$1,000,000 each occurrence and in the annual aggregate
Personal Injury Aggregate Liability	\$2,000,000 Each Occurrence and in the Annual Aggregate
Each Occurrence Limit	\$1,000,000 each occurrence
Property Damage Deductible	NIL per claim / NIL per occurrence
Damage to Premises Rented to You Limit	\$50,000 Any One Premises
Medical Expense Limit	\$3,000 Any One Person
Hangarkeepers' Each Loss Limit	\$1,000,000 each occurrence
Hangarkeepers' Each Aircraft Limit	\$1,000,000 each aircraft
Hangarkeepers' Deductible	\$2,500 per aircraft / \$2,500 as respects jet and turbine powered aircraft / \$2,500 per loss
Covered Premises	Physical Address + any premises necessary and incidental to the aviation operations of the Name-
Cancellation	30 days / 10 days non payment
Contractual Liability	\$2,000,000 Each Occurrence
Independent Contractor Liability	\$1,000,000 Each Occurrence

Expired TAP - \$8,444

Policy Form

AGSA 050 1210 - AVIATION COMMERCIAL GENERAL LIABILITY POLICY

Endorsements

- AASA 300 12 10 - FORM SCHEDULE
- AGSA 000 12 10 - AVIATION COMMERCIAL GENERAL LIABILITY POLICY DECLARATIONS
- AGSA 050 12 10 - AVIATION COMMERCIAL GENERAL LIABILITY POLICY
- AASA 901 0115 - CERTIFIED ACT OF TERRORISM EXCLUSION
- AGSA 412 12 10 - AVIATION DATE RECOGNITION ENDORSEMENT WITH LIMITED COVERAGE GRANT OPTION 4
- AGSA 600 12 10 - EXCLUSION - ADVERTISING INJURY
- AGSA 418 12 10 - DEDUCTIBLE LIABILITY INSURANCE ENDORSEMENT
- AGSA 402 12 10 - ADDITIONAL INSURED - SCHEDULED CONTRACTORS
- AGSA 622 1210 - ADDITIONAL INSURED ENDORSEMENT
- IL MP 9104 0314 XLS - IN WITNESS - XL SPECIALTY INSURANCE COMPANY
- PN CW 05 0914 - U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
- PN CW 02 0505 - PRIVACY POLICY
- PN CW 01 0613 - FRAUD NOTICE
- PN TN 01 0511 - TENNESSEE NOTICE (COMPLAINT)

Commission	15.0%
Total Annual Premium	\$8,444
Applicable State Surcharge	None
TRIA / War Coverage	
TRIA Liability	Not Purchased
War Liability	Not Purchased
Premium Payment	Annual

Notes:

This document confirms that XL Specialty Insurance Company has bound coverage for the entity(ies) outlined above in accordance with the terms and conditions set out herein.

Underwriter's Signature: _____

Date: 29-May-2015

Subject to all terms and conditions of the policy to be issued, which, when delivered, replaces this Binder. However, where the policy does not reflect all terms and conditions of this Binder, this Binder shall remain in effect and govern coverage of any claim until such time as a correct policy is issued by the Insured which reflects all the terms and conditions of this Binder.

CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100

Attachment D

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

2015

Department of the Treasury
Internal Revenue Service

For calendar year 2015 or tax year beginning _____ and ending _____

A S election effective date 01/01/1997	Name CRYSTAL AIR, INC.	D Employer identification number 62-1527755
B Business activity code number (see instructions) 481000	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 21347	E Date incorporated 01/22/1993
C Check if Sch. M-3 attached <input type="checkbox"/>	City or town, state or province, country, and ZIP or foreign postal code CHATTANOOGA, TN 37424	F Total assets (see instructions) \$ 7,188.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check it: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **▶ 3**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 1,404,560. b Return and allowances	1c	1,404,560.
	2 Cost of goods sold (attach Form 1125-A)	2	696,543.
	3 Gross profit. Subtract line 2 from line 1c	3	708,017.
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	
	5 Other income (loss) (attach statement)	5	
	6 Total income (loss). Add lines 3 through 5	6	708,017.
Deductions (See instructions for limitations)	7 Compensation of officers (see instrs. - attach Form 1125-E)	7	
	8 Salaries and wages (less employment credits)	8	350,567.
	9 Repairs and maintenance	9	279.
	10 Bad debts	10	1,237.
	11 Rents	11	48,803.
	12 Taxes and licenses STATEMENT 1	12	22,926.
	13 Interest	13	797.
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	
	15 Depletion (Do not deduct oil and gas depletion.)	15	
	16 Advertising	16	4,170.
	17 Pension, profit-sharing, etc., plans	17	
18 Employee benefit programs	18		
19 Other deductions (attach statement) STATEMENT 2	19	174,207.	
20 Total deductions. Add lines 7 through 19	20	602,986.	
21 Ordinary business income (loss). Subtract line 20 from line 6	21	105,031.	
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b Tax from Schedule D (Form 1120S)	22b	
	c Add lines 22a and 22b	22c	
	23 a 2015 estimated tax payments and 2014 overpayment credited to 2015	23a	
	b Tax deposited with Form 7004	23b	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	
	d Add lines 23a through 23c	23d	
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24		
25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25		
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26		
27 Enter amount from line 26 Credited to 2016 estimated tax Refunded <input type="checkbox"/>	27		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here **CLIENT'S COPY** **PRESIDENT**

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instr. 1)? Yes No

Print/Type preparer's name KYLE CHRISTENSEN, CPA	Preparer's signature <i>Kyle Christensen</i>	Date 04/06/16	Check if self-employed <input type="checkbox"/>	PTIN P00104257
Firm's name HENDERSON HUTCHERSON & MCCULLOUGH PLLC	Firm's EIN 62-1114363		Phone no (423)756-7771	
Firm's address 1200 MARKET STREET CHATTANOOGA, TN 37402				

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	105,031.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
	10 Other income (loss) (see instructions) Type ▶	10	
	11 Section 179 deduction (attach Form 4562)	11	
	12a Charitable contributions	12a	100.
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶	12c(2)	
	(2) Amount ▶	12d	
d Other deductions (see instructions) Type ▶			
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type ▶	13d	
	e Other energy credits (see instructions) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478)	13f	
	g Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶	14b	
	b Gross income from all sources	14c	
	c Gross income sourced at shareholder level		
	Foreign gross income sourced at corporate level	14d	
	d Passive category	14e	
	e General category	14f	-
	f Other (attach statement)		
	Deductions allocated and apportioned at shareholder level	14g	
	g Interest expense	14h	
	h Other		
	Deductions allocated and apportioned at corporate level to foreign source income	14i	
	i Passive category	14j	
	j General category	14k	
k Other (attach statement)			
Other information	14l		
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14m		
m Reduction in taxes available for credit (attach statement)			
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties - gross income	15d	
	e Oil, gas, and geothermal properties - deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	3,950.
	d Distributions (attach statement if required)	16d	
	e Repayment of loans from shareholders	16e	

Crystal Air, Inc.
Balance Sheet Summary

As of March 31, 2016

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	17265.11
Accounts Receivable	75240.61
Other current assets	46401.77
Total Current Assets	<u>138907.49</u>
Fixed Assets	0.00
Other Assets	600.00
TOTAL ASSETS	<u>139507.49</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	77350.09
Credit Cards	12154.12
Other Current Liabilities	53601.64
Total Current Liabilities	<u>143405.85</u>
Long-Term Liabilities	48685.88
Total Liabilities	<u>192291.73</u>
Equity	-437355.54
TOTAL LIABILITIES AND EQUITY	<u>-245063.81</u>

Monday, May 09, 2016 09:17:47 AM PDT GMT-4 - Accrual Basis

CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100

Attachment E



US Department
of Transportation
Federal Aviation
Administration

Air Carrier Certificate

This certifies that

**CRYSTAL AIR, INC.
251 DRY VALLEY ROAD NE
CLEVELAND, TENNESSEE 37312**

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended, or revoked, shall continue in effect indefinitely.

By Direction of the Administrator

Walter H. Bevan

WALTER H. BEVAN
(Signature)

MANAGER
(Title)

CE-19, NASHVILLE FSDO
(Region/Office)

Certificate number: TL0A014K

Effective Date: 11/06/2001

Issued at: NASHVILLE, TENNESSEE

CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100

Attachment F

AIRNAV.COM

WINGPOINTS®
REWARDS PROGRAMBUY FUEL.
EARN POINTS.
SCORE CARGO.

Airports

Nav aids

Airspace Fixes

Aviation Fuel

iPhone App

My AirNav

1380 users online

Crystal Air

at Cleveland Regional Jetport

Services

- Aviation fuel
- Aircraft ground handling
- Aircraft parking (ramp or tiedown)
- Hangars
- Hangar leasing / sales
- GPU / Power cart
- Passenger terminal and lounge
- Flight training
- Aircraft rental
- Aerial tours / aerial sightseeing
- ...

Aviation fuel services

Brand: Shell

Fueling hours: 24 hours a day

Fuel prices as last reported on 09-May-2016

100LL Avgas <u>Full service</u>	\$4.30
100LL Avgas <u>Self service</u>	\$4.30
Jet A <u>Full service</u>	\$4.12
Jet A <u>Self service</u>	\$4.12

Discounts: Open 7 days a week 8:00am to 5:00pm

Prices include all taxes. Prices not guaranteed.

Contact information

Address: 251 Dry Valley Road, NE
Cleveland, TN 37323
United States of America

Telephone: 423-472-4343

Email: info@crystalaironline.comWeb site: crystalaironline.webplus.net/cleveland_tn.html

Comments from AirNav users

Comments are submitted by their authors and do not reflect the opinion of AirNav, LLC. All comments must adhere to [AirNav's Policy on Comments](#).

From Mark Dymond on 20-Oct-2015



★★★★★ Went here for the 3rd Saturday morning pancake breakfast. First time at this airport, even though its only 60nm from my base. Breakfast was good, but the accommodations- -holy crap! - -Make that the entire FBO--as far as general aviation goes, this place ranks an ELEVEN on the 1-10 Taj Mahal scale. There must be 20 different TVs on various channels scattered thru the FBO. Fireplace, waterfall, elevator to the 2nd floor, terrific pilots lounge, stocked refrigerators, dark & private snooze rooms, very comfortable chairs, it just doesn't end. Did you get the impression I am impressed?

From Robert Adams on 24-Jun-2015

★★ The airport is outstanding. The FBO terminal is exceptional. The staff is friendly and efficient. HOWEVER, they have a no waiver policy for ramp fees and other charges regardless of how much fuel you buy. This will cause them to lose business because there are many other airports nearby, CHA for one which does waive various fees with fuel purchase which is a common practice. Sorry that this is so.

From Mike Divan on 31-Jul-2014

★★★★★ OUTSTANDING airport, FBO and staff. Landed here because weather turned use around. New picked it because the runway is HUGE and easy to find. We found the frequencies on the chart and landed. What a great find. Right now we are eating lunch at Jordan's BBQ recommended by the FBO and we got here in the courtesy car. First class service for a little RV6 that really does not need fuel. Just nice folks. We will be back.

From Gregory Ricca on 06-Jul-2014



★★★★★ Fantastic facility and people. There was a disconnect between Enterprise and FBO and my car was returned before I arrived. The FBO bailed me out with one of their cars. FBO person told me that Hertz is more professional and reliable than Enterprise. Being stranded without a vehicle was a challenge and Enterprise customer service was clueless and of no help. Did I mention the FBO facility and people were great?!

From Tom Slavonik on 01-Jul-2014

★★★★★ Absolutely the most beautiful general aviation airport I've ever had the privilege of visiting. Met the Director of Operations, Mark Fidler, and he gave my wife and I a "grand tour" of this world class facility. Whether you are planning on visiting the Cleveland, TN area or just passing through, I would highly recommend making Cleveland Regional Jetport (KRZR) a part of your travel plans.

From Ray Mansfield on 19-Feb-2014



★★★★★ What a great place. Beautiful building, great folks. I talked with the line guys, the customer service people, a manager, two flight instructors, and everyone went out of their way to be so pleasant. The only thing RZR needs is a ground communication link to CHA ATC so IFR Clearances can be picked up on the ground. Don't miss Crystal Aviation, they're a great group.

From Mark Brown on 26-Nov-2013

★★★★★ Wow, where to begin. This place is a 5 star resort. Far and away the nicest FBO I've ever been in. Called right before they closed for the night, they let us use the FBO car the entire night and even left a package of "things to do" in the town on the dash with a personalized note. They also have a 24/7 pilot lounge with showers and chairs/beds. I can't wait to go back to Cleveland! Such nice people here & airport ramp/runway looks brand new.

From David Torbett on 28-Sep-2013

★★★★★ Beautiful facility! Superb pilot's lounge reported to be open 24/7.

From Emile Hendrik on 23-Sep-2013



★★★★★ Great little place, a bit confusing at night when you have never been here before as there are 2 airport beside one another, but it was the bigger of the 2 so it was no problem in the end. I called ahead to tell the folks I would be staying the night but would be arriving after hours. They kindly left me the crew car to take to a local hotel on the promise it would be returned in the morning. They are very hospitable and helpful. A great place to stop.

From L. Nichols Cook on 30-May-2013

★★★★ I flew in this afternoon just before 6:00 PM. This is a very new airport with a nice FBO that isn't even on the charts yet. It lies three miles east of KHDI. I had called this morning and spoken with the folks at Crystal Air, who agreed to meet me after hours. Full-service 100LL was \$5.87/gal.

CRYSTAL AIR, INC.

**P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100**

Attachment G

David Glass
8137 Spring Haven Ln
Knoxville, TN 37919
May 8, 2016

Re: Recommendation for Crystal Air, at Cleveland Regional Jetport

To Whom It May Concern:

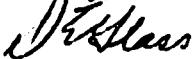
I have been a customer at Crystal Air, at the Cleveland Regional Jetport for about a year, taking my demonstration flight with one of their flight instructors. Six months later, I became a Sport Pilot, with all the training flights in their rental Cessna 162 LSA.

The experience with Crystal Air, even for a low-end customer like me, has been overwhelmingly positive. The office and maintenance staffs are always supportive and friendly to my wife and me. Communication about the airplane status, preparing it for my flights, and scheduling have all been excellent.

We promote to others that the terminal building at the Jetport feels more like a nice hotel lobby than an airport; it is always "on," clean, and welcoming. I believe this speaks well for the attention to detail provided by Crystal Air.

I would hope your review accounts for all the factors involved in operating a successful FBO, and highly recommend continuance of the services by Crystal Air.

Sincerely,



David Glass

(deglass1@aol.com)



Cleveland Composite Squadron
Civil Air Patrol
245 Sequoia Avenue NW
Cleveland, Tennessee 37312

May 8, 2016

Taylor Newman:

The Cleveland Composite Squadron of the Civil Air Patrol is extremely grateful for Mark Fidler allowing the squadron to put on a pancake breakfast at the airport every third Saturday of the month. This pancake breakfast allows the squadron to raise funds to ensure that the squadron is able to support itself. As you know, the Civil Air Patrol is a volunteer organization which is a U.S. Air Force Auxiliary.

It would not be possible for the squadron members to prepare for the pancake breakfast, if it were not for the wonderful support by yourself and staff. Your staff is always at the airport by 6:45 A.M. on the morning of the breakfast. They are at all times very pleasant and kindly offer any assistance that may be needed.

I cannot thank you and your staff enough for supporting your local Civil Air Patrol Composite Squadron.

Sincerely,

Maj Linda Quiett CAP
Squadron Commander TN173
Civil Air Patrol, U.S. Air Force Auxiliary
(C) 727-798-4013
lquiett@ymail.com
<http://GoCivilAirPatrol.com>
<http://tncap.us>

Kennard and Heather Yamada
3042 Skipping Stone Drive
Apison, TN 37302
May 6, 2016

RE: Cleveland Regional Jetport (KRZR) Fixed Base Operator by Crystal Air

It's come to our attention that the FBO contract for KRZR is up for re-bid. While a normal business practice, I hope that Cleveland Regional Jetport evaluates every aspect of every candidate as they judge applying candidates.

Personally, I cannot imagine a better management company than Crystal Air. Let me bullet point it then explain.

- Taylor Newman and Crystal Air instructors have taught a lot of area pilots how to fly (ratings and types).
- Crystal Air employees are professional to the core.
- Taylor Newman's passion is his business and his business is his passion.
- GA needs business like Crystal Air.

Here is the longer explanation to my four points.

Instruction: When my wife and I decided that we wanted to become airplane owners, we started interviewing local pilots for advice on the best local instructor. The name Taylor Newman came up over-and-over. To us, it was a good sign. We had read about instructors that had high student abandonment rates so we carefully searched for one that would get us flying quickly and safely. Due to great instruction, within 90-days of our first light lesson, we both had our wings. Now, when I get asked about flight instruction, I give only one name, Taylor Newman.

Professionalism: We have flown into a lot of FBOs. Compared to many that we visit, it's been a pleasure flying into a Crystal Air airport. The customer service starts as the attendant runs out and never stops until you are wheels up and flying away. That can't be said for the vast majority of the FBOs my wife and I have visited. If you fly into enough airports, you know what I'm saying.

The big stuff, a lot of companies get right, but the little things make a huge difference. Crystal Air employees are always sharply dressed professionals with a positive attitude

[Recipient Name]

May 6, 2016

Page 2

and willingness to help. I've always felt like Crystal Air has brought big FBO professionalism to smaller fields.

Lastly, passion. Most people get into a business for money. Nothing wrong with that, but Taylor Newman got into airport management to satisfy his passion for aviation. As a corporate manager, I look for people that have a passion for technology and pass on those that just want a job. People that are passionate about their craft don't need constant motivation. People that are passionate about their careers make better decisions. People that are passionate about their profession give better customer service.

Taylor judges landing competitions, makes trips to Oshkosh and Sun-N-Fun, holds local group instructional meetings, organizes fly-ins...he moves general aviation in the right direction! That comes from a deep, and pure, passion for aviation, something that the industry desperately needs right now.

If you put the pieces together, Taylor Newman and Crystal Air make a great continued business partner for the Cleveland Regional Jetport.

As I close this letter, I wonder how things might be different for my wife and I without Crystal Air in the area. Honestly, I know that everything from getting our certificates to getting our plane fixed would have been harder. For years countless pilots just like us have relied on Crystal Air for training, services and advice.

Right now, general aviation is in a fragile state and desperately needs more businesses like Crystal Air; aviation business that forge ahead and give GA the best chance of survival and maybe even growth. Aviation business that treat the little guy like a big shot.

Sincerely,

Kennard and Heather Yamada



ARNIE BARN, Inc.

1505 17th Avenue South
Nashville, Tennessee 37212
Tel : (615) 292-8132

I am very happy to write this letter of recommendation for Taylor Newman and Crystal Air. In our numerous business dealing with Mr. Newman and Crystal Air, we have found Crystal Air to be courteous, prompt, professional-top notch all the way. They have earned our trust and our continued business and support. But more the exemplary FBO service, it is important to note the RZR airport atmosphere. It's a pleasure to visit this airport and see the amount of activity, from business travelers to recreational pilots. When visiting local airports over the last 15 years, the one thing that I have noted has been the deterioration of airport "community". I attribute your welcoming spirit and vitality to the effort given by Crystal Air.

Regards,
Allen Jackson
Cpt. N7KC

Palmetto Construction Group
2945 Airport Rd
Sumter, SC 29153

May 4, 2016

To whom it may concern,

I just wanted to take a minute to thank you for the exceptional service that we have received from Crystal Air and the entire staff at Cleveland Regional Airport. We have been flying in on a regular basis for 2 years now and are always impressed with the facility and service. It is one thing to have a top notch facility, and you do, but it is an entirely different issue to maintain it and use it to maximum effect. That is what happens here on a regular basis.

We recently put the service to the test after being grounded for 5 days in Cleveland for an aircraft electrical issue. The entire staff, but especially Bryan, went above and beyond to ensure that we had what we needed, when we needed it. They helped to provide temporary hangar space for the maintenance crew that worked on the plane as well as took great care of us as we waited not so patiently for the aircraft to return to service.

I have been flying for over 25 years and seen many FBOs in that time. Crystal Air and the Cleveland Regional Airport rank up in the very best. The service is above expectations, the facility is great, and the fuel prices are more than fair....What more could we ask for in an FBO!

Thanks for taking such great care of us and we will be back!

Jeff Knauer

Jeff Knauer
Chief Pilot
Palmetto Construction Group

CRYSTAL AIR, INC.

P.O. Box 21347
Chattanooga, TN 37424
CrystalAirOnline.com
(423) 236-5100

Attachment H

Taylor Newman

From: robert bledsoe <robinbledsoe56@comcast.net>
Sent: Sunday, May 08, 2016 6:24 PM
To: Taylor.newman@crystalaironline.com
Subject: Recommendation letter

5/8/2016

To whom it may concern:

It is my understanding that bids are being considered for running the FBO at the Cleveland Regional Jetport. I would like to strongly recommend continuing the service with Crystal Air, Inc. I have had Cleveland as my flying home base since starting flying lessons in 2013. Since then I have visited over a dozen airports. The service provided to me in Cleveland has been second to none! All the staff have been professional, friendly, extra attentive, and rapidly responsive to any of my needs or requests. I have really appreciated their anticipation of any problems or delays, allowing me to avoid driving down from Athens unnecessarily by calling me in advance. They have kept the Jetport very clean as dictated by the high quality of your facility. I have witnessed them also providing first-rate service to non-local pilots and guests. Also, they have shown genuine hospitality to the friends and family who have flown with me. Without exception, each of the adults have commented on how nice they were treated and how nice the facility is.

I have obviously been pleased with how My wife and I have been treated and made to feel welcome at RZR by the Crystal Air staff. Taylor Newman was most helpful when I "found" the sinkhole at the Athens airport in July, 2015. His assistance that day and beyond with help regarding the FAA and NTSB were invaluable, and for which I will always be grateful!

If you need any more information from me, feel free to call me at 423-829-8044, or email at robinbledsoe56@comcast.net.

Sincerely,
Robert E.Bledsoe, Jr., M.D.
Sent from my iPhone

Taylor Newman

From: Mahmood Siddiqui <msiddiquimd87@gmail.com>
Sent: Friday, May 06, 2016 5:20 PM
To: taylor.newman@crystalaironline.com
Subject: Letter of appreciation for Crystal Air

It gives me great pleasure to write this letter of appreciation for Crystal air. I practice internal medicine at Copperbasin area since 1994. I am also director of the emergency department at Copperbasin medical center. In fall of 2010, as a result of a large landslide, my commute of 50 minutes to work was suddenly increased to two and a half hour each way. I was driving almost five hours everyday, seven days a week, the alternative route was treacherous, going through the mountains and back roads, and it was totally exhausting. It was affecting the quality of my work and critical decision making in the emergency room. A colleague of mine recommended talking to Taylor Newman, CEO Crystal Air, and I did.

I met with Taylor the following week and explained the situation, he immediately agreed to fly me and my nurse practitioner to work. We were flown to work every day, on the weekends, Taylor or his associate pilot would at times wait 2 to 3 hours till I finish my rounds in the hospital. Their service was exemplary, always courteous, punctual and extremely professional.

Taylor realized that Copperbasin was an under served and an indigent area, he charged us a fraction of the customary fare, testament to his compassion and caring personality.

The River road remained closed for over 6 months, I believe it was because of Crystal Air that I was able to take care of my patients and was able to spend time with my family also.

I have flown with Crystal Air on a few occasions since and it always has been a pleasure. I wish Crystal Air all the best and continued success.

Sincerely,

Mahmood A. Siddiqui M.D.
955 Anatole court NW
Cleveland, Tn 37312

5/6/2016

To whom it may concern:

I own an airplane and have had it hangered in Athens and Cleveland Tennessee. Both airports were being run by Crystal Air Inc. My experience with Crystal Air Inc. has been nothing short of excellent.

When landing at KRZR they always ask if I need fuel or anything else while I'm navigating to my hangar. A couple of times I've had trouble with my hangar door and they have dropped what they were doing and came out to fix it.

I've had my plane washed and waxed a few times and they've always done a great job.

I feel the connection this company has with the communities it serves is something a cost cannot be associated with. Whether you are at the airport or bumping into the guys around town they are always friendly and helpful.

The instructors they provide are very user friendly and are driven by your success as a pilot. I've always felt comfortable in the left seat with a Crystal Air Inc. instructor with me. They are totally engaged with your training from test reviews to simulating the flying tests.

Sincerely,

Steve Dodd

Custom Control Solutions, LLC

3045 Overlook Drive.

Cleveland, TN 37312

Volo Aviation
Fixed Base Operation Management Proposal
Cleveland Regional Jetport
April 15, 2016



FBO Services Proposal for Cleveland Regional Jetport

Table of Contents

Section 1 – Introduction, Volo Aviation- Company Description and History

Section 2 – Qualifications and Approach

- A. Who We are and Where We've Been.
- B. Similar Projects.
- C. Aviation Expertise (Bio's).
- D. Our Operation and Maintenance Approach.
- E. The Challenge – Marketing and Business Development.
- F. References.

Section 3 – Private/Public/Partnership

Section 4 – Proposal/Fees



April 15, 2016

Cleveland Regional Jetport
Attention: Mark Fidler
251 Dry Valley Road NE
Cleveland, TN 37312

Mr. Fidler,

Volo Aviation is very pleased to submit this proposal to provide management and operations oversight of the Cleveland Regional Jetport's Fixed Base of Operations (FBO). We have facilities and infrastructure within the region and are confident that Volo Aviation can serve as an integral member of your overall operation. Our Proposal offers a cost-plus management service structure detailed within our services proposal. As a demonstration of our commitment to partnering with RZR, we offer a waiver of our fee for the first 3 months of our management agreement with RZR and the Cleveland County Airport Authority.

FBO management is the logical next step in Cleveland Regional's future success in attracting new business. In our experience airports such as Cleveland Regional bode well to an FBO Management structure and will present well for both the Airport Authority and the FBO.

The Volo Aviation team is uniquely suited to this task. We've invested over ten years in perfecting our business model with a unity that assures consistent excellence. Our corporate values show up as unsurpassed integrity, quality, safety, security, service, and follow-through. The people fulfilling our mission are uniquely suited at creating new levels of service and performance.

Included in this proposal is a Public/Private/Partnership which includes not only Volo Aviation, but also Global Pilot Academy and Aviation Maintenance Services. These industry leaders, partnered with Cleveland Municipal Airport Authority, will ensure the future success of KRZR.

We understand the vital role that competent FBO management plays in the success and continued growth of an airport. We have extensive experience in growing FBO market share and brand visibility across many locations and markets, identifying how to run them more efficiently through our extended internal and external resources and bringing fresh ideas on how to effectively market a location to attract new business. Most importantly, we bring a firm belief that every successful FBO starts with strong customer service skills displayed at all levels within the organization. This is why our management package includes in-depth training in these crucial skills, with clearly communicated standards and expectations of all employees.

Volo Aviation can provide Cleveland County with experienced FBO management knowledge, and acting as your trusted partner, can help you achieve your goals of stable operations and revenue growth. Bottom line, your next level of success is critically dependent on the next 5-10 years of professional FBO management in concert with existing administration staff that can focus on their important role as facilitators of growth for Cleveland Regional Jetport.

Thank you for this opportunity, we look forward to hearing from you.

Sincerely,

Brian Ciambra

Brian Ciambra

SVP

bciambra@voloaviation.com

203.381.6017 (o) | 914.469.2532 (c)

203.380.9151 fax



SECTION 1 INTRODUCTION

VOLO AVIATION THE PREMIER NAME IN FBO MANAGEMENT

Fixed Base Operations are inherently complex and challenging businesses. Proper and efficient management of personnel, client relationships, technology, quality control, safety, public relations, and a variety of other issues are crucial to the success of your business.

In an industry where margins seem to continually erode, Volo Aviation offers the Independent and municipality owned FBO the opportunity to partner with an established player in order to maximize operational efficiencies, enhance safety and performance, and ultimately grow your market share and profitability in an increasingly challenging environment.

Volo Aviation is an assembly of individuals where the whole really is greater than the sum of its parts. We bring not just our decades of experience in FBO management and operations; we also bring the connections and relationships that can only be forged with time and positive performance.

No other group in the industry has this type of proven historical performance or the diversity of talent within a single entity. With a focus on efficiency, safety, revenue creation, and active community involvement.

Volo Aviation has been able to aid its clients in finding solutions and successes where others have previously failed. This comprehensive approach is what makes Volo Aviation the solution of choice for Independent FBO organizations who wish to streamline and achieve the full potential of their operations. Whether the goal is a better bottom line or increasing asset value to maximize return on capital; Volo Aviation is the answer.



SECTION 1 INTRODUCTION (CONT)

There are many benefits that an Municipally owned FBO can realize by being a part of the growing Volo Aviation network.

Our relationships allow us to cut expenditures, reduce operational inefficiencies, and begin improving your operation from day one. We know that in this business time is everything, so we are ready to move at a moment's notice. Volo Aviation can have boots on the ground in a matter of days and formal action plans established shortly thereafter. We know what separates the winners from the losers in our business: it is the people who comprise the team. Our job is working behind the scenes to ensure you have the most qualified and best trained individuals, equipped with all the necessary tools to find success for both themselves and their FBO.

SPECIFIC BENEFITS INCLUDE:

1. Access to Direct Operating Costs
2. Fuel Procurement - access to preferred supplier pricing
3. Aviation Insurance - placement assistance through our trusted partners
4. Employee benefits administration
5. Access to Sales Initiatives
6. Legal/accounting consultation
7. Human resources management
8. Access to industry-leading programs and training standards, including:
9. Training & Program Manuals
10. Fuel Quality Control Programs • Aircraft Management
11. Aircraft Charter



SECTION 2 QUALIFICATIONS

- A. Who We Are and Where We've Been.
- B. Similar Projects.
- C. Aviation Expertise.
- D. Operations and Maintenance Approach.
- E. The Challenge – Marketing and Business Development.
- F. References.



SECTION 2 QUALIFICATIONS (CONT)

WHO WE ARE

HISTORY

Volo Aviation was initially formed in 1998 as a corporate flight department. The flight department was consolidated into an acquired FAA Part 135 certificated air charter company, and renamed Volo Aviation, Inc. in 2002. Volo Aviation, Inc. did business solely as an air charter company until 2006.

In 2008, the Volo Aviation, Inc. air charter business was consolidated into the FBO company, creating the current Volo Aviation, LLC- a platform that combines aircraft charter, management, and FBO operations.

In 2009 Volo Aviation's founding investor separately undertook the opportunity to develop a new FBO facility at Sikorsky Memorial Airport in Bridgeport, CT through Aircraft Facilities Group LLC. A ground lease was negotiated for the 40-acre site with the City of Bridgeport in 2007, and construction was completed on this award-winning facility in April 2010. This location was not part of the joint venture with Merrill Lynch, and is now a fully operational FBO, as well as the current headquarters for Volo Aviation, LLC.



SECTION 2 QUALIFICATIONS (CONT)

WHO WE ARE

VOLO AVIATION TODAY

Volo Aviation currently operates out of its headquarters in **Stratford, CT (BDR)**, while also managing five other FBO locations: one in **Sebring, FL (SEF)**, one in **Harrisburg, PA (CXY)**, one in **Plattsburgh, NY (PBG)**, one in **Hinesville, GA /Fort Stewart Airfield (LHW)**, **Jacksonville, NC (OAJ)** and one other in **Tampa, FL (VDF)**.

Combined, Volo controls over 70 acres of ramp space, manages rental activity for over half a million square feet of hangar and office space, and delivers over 8,000,000 gallons of fuel annually, 15% of which is military and government sales. We are also responsible for maintaining fuel quality control in our 250,000 gallons of combined storage capacity. Additionally, our team provides above- and below-wing services to commercial airline clients at our Plattsburgh location, which includes ramp services (fueling, deicing, baggage handling, pushback, and lav service) as well as all ticket counter and customer service functions.

In 2013, Volo Aviation partnered with an individual investor, Raj Tala. Skyport Holdings was created to answer the opportunities in the FBO markets along the eastern seaboard, with it's strategic inception already begun in Harrisburg, PA , Tampa, FL and Jacksonville, NC. With the financial backing of Mr. Tala and the management experience of Volo Aviation and with a current Defense Logistics Agency contract in place, we are excited about the opportunities that have recently developed. Skyport Holdings is lead by Managing Member & Principle Raj Tala and Manager & CEO Brian Ciambra.



SECTION 2 QUALIFICATIONS (CONT)

WHO WE ARE

OUR EXPERIENCE

Volo has in-place personnel with expertise in all the core aspects of aviation management- maintenance, pilots, FAA compliance, fueling, aircraft handling, hangar leasing, and accounting. The Volo team is also expert in airport development, leasing and finance, and its marketing personnel are experts in developing branded identities.

A review of the resumes for the Volo Aviation Management Team will provide proof of our experience. Our team has years of experience delivering excellence in some of the most demanding airports in the business, including White Plains, LaGuardia, and Teterboro. We have arranged airline fueling and handling contracts, we have negotiated labor union disputes, and we have repeatedly satisfied demanding corporate clientele. Our team has fueled in the driving rain, deiced in blizzard conditions, and safely secured hangar facilities in the face of impending hurricanes. In short, we've been there, done that.

Additionally, we have consistently grown business (both overall revenue and market share) at "secondary" airports. Sure, it's easy to sell three million gallons of fuel at airports like White Plains- but it's a challenge to attract business away from the primary airports in favor of smaller options. We have proven we can master that challenge in every market we enter. Through a combination of "right-pricing" of fuel and services, exceptional customer service delivery, and creative marketing strategies, Volo Aviation has repeatedly proven it can drive business where others have struggled.

We are confident RZR fits our strategic strategy and will result in a similar positive impact and ultimately resulting in additional traffic and a growing airport. We believe our resume demonstrates positive results and will ultimately yield similar success at RZR.



SECTION 2 QUALIFICATIONS (CONT)

WHO WE ARE

AIRCRAFT MANAGEMENT AND CHARTER OPPORTUNITIES

In addition to comprehensive FBO operations knowledge, Volo Aviation offers the opportunity to engage in other services that may prove beneficial to Cleveland County. Volo Aviation LLC holds its own Air Carrier Certificate issued by the DOT/FAA for on-demand charter work under Part 135 of the Federal Aviation Regulations.

We are authorized by the FAA to provide aircraft charter throughout the world, and have approval for large aircraft charter operations (10 or more passengers). We also offer clients turnkey aircraft management services, where Volo Aviation LLC becomes the personalized flight department for the aircraft owner, and acts as agent and liaison for his or her aircraft affairs.

AIRCRAFT MAINTENANCE

Volo Aviation LLC technicians are trained and experienced in most popular general aviation makes and models, including Gulfstream, Dassault/Falcon, Bombardier, Hawker/Beechcraft, Raytheon, Learjet, and Eurocopter.

Our maintenance department has won the FAA Diamond Award for training and safety. We have also partnered with leading aviation maintenance provider Duncan Aviation, who operates a satellite avionics repair station in our facility at Bridgeport CT.

BEST IN CLASS SERVICES

Volo Aviation prides itself in delivering best-in-class services in each of the areas we operate. As such, we hold several top-level industry recognitions. Our FBO operations are NATA-1st certified, while our aircraft operations are ARG/US Platinum, Wyvern Wingman, and IS-BAO Stage II approved.



SECTION 2 QUALIFICATIONS (CONT)

SIMILAR PROJECTS

CURRENT LOCATIONS:

BRIDGEPORT, CT (BDR) – (2009-Present) Volo Aviation owns this newly constructed facility and operates through a 40-year ground lease with the airport. Completed in 2010, this 40,000 square foot facility is the first new construction at this airport in over 30 years. Acting as the corporate headquarters for Volo Aviation, this location offers the complete range of FBO services, including ground handling, fueling, deicing, and maintenance, as well as aircraft management and charter services. This location is supplied by Shell Aviation, and delivers 800,000 gallons annually.

SEBRING, FL (SEF) (2012-Present) Volo Aviation manages this sole-source FBO location for the Sebring Airport Authority (SAA) under a 7-year contract. As manager, Volo oversees all aspects of FBO operations, as well as offers business oversight and strategic planning. All staff are Volo Aviation employees, and we provide all manner of FBO services. This location also supports all fueling operations for the nearby Avon Park Air Force Range under a military contract. The Range is an area of 106,000 acres that includes a bombing and air-ground training range. The Range has its own fuel farm and delivery trucks, which Volo services and maintains quality control responsibility for. Sebring offers 125,000 square feet of hangar and office, delivers 350,000 gallons of fuel annually, and is supplied by World Fuel Services.

HARRISBURG, PA (CXY) (2013- Present) Volo Aviation manages this sole-source FBO location at Capital City Airport in Harrisburg, PA under a 5-year contract with the FBO owner. All staff are Volo Aviation employees, and they offer all manner of FBO services. CXY has 175,000 square feet of hangar and office space, and delivers 750,000 gallons of fuel annually, of which 250,000 gallons are sold under contract to the Pennsylvania National Guard. Volo Aviation is overseeing hangar and terminal capital improvements, and have already secured new tenants and grown transient traffic since being awarded the management contract. This location is supplied by World Fuel Services.



SECTION 2 QUALIFICATIONS (CONT)

SIMILAR PROJECTS

CURRENT LOCATIONS (CONT):

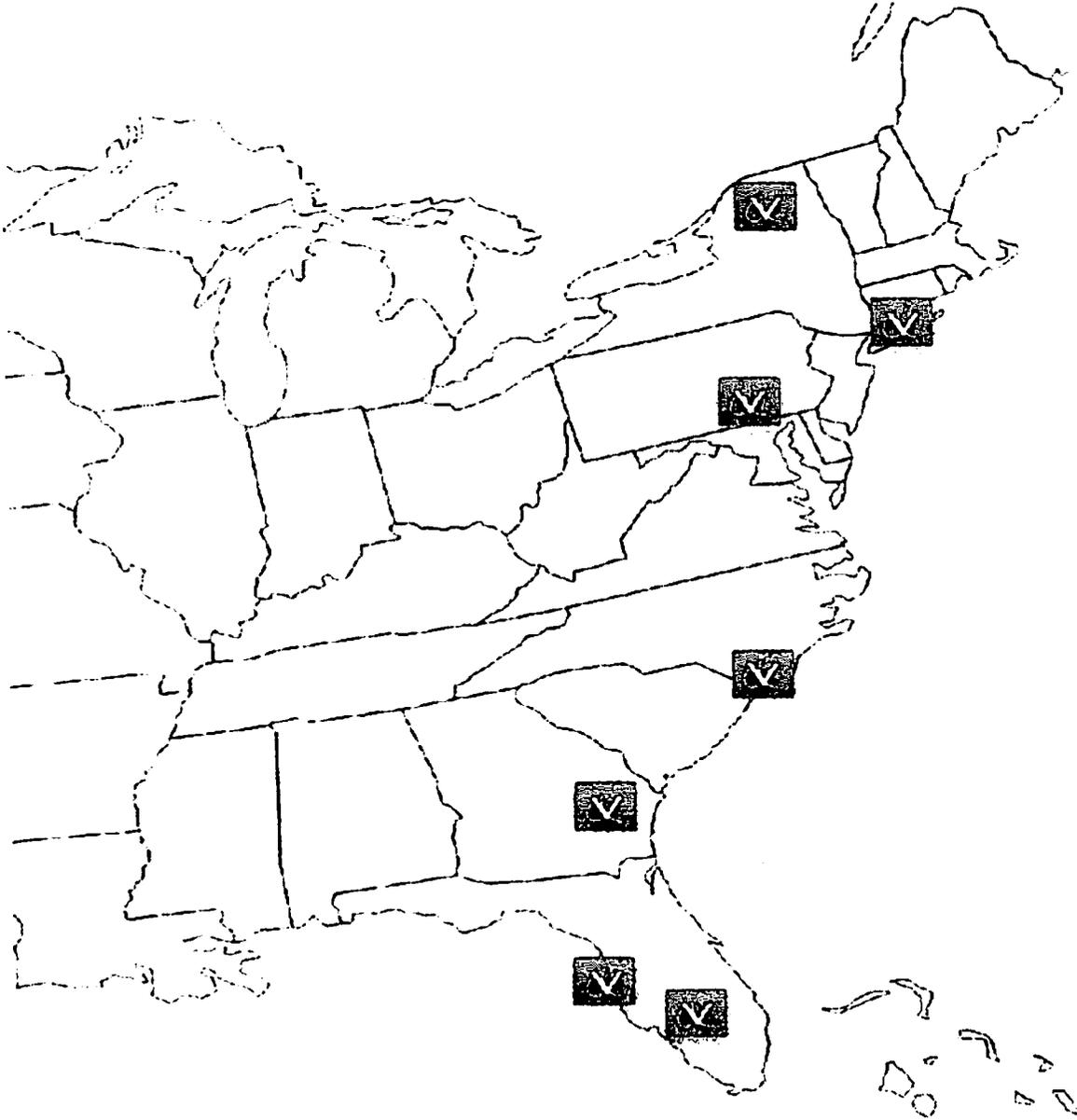
PLATTSBURGH, NY (PBG) (2013- Present) Volo Aviation manages this sole-source FBO for Clinton County, NY. All staff are Volo Aviation employees. This location also performs above- and below-wing services to commercial airline partners, which include ticketing, customer service, baggage handling, ramp operations, into-plane fueling, and deicing. Plattsburgh offers 175,000 square feet of hangar and office space, and delivers 4.0 million gallons of fuel annually. This location is supplied by World Fuel Services.

HINESVILLE, GA (LHW) (2013- Present) Volo Aviation manages this sole-source FBO location for the MidCoast Regional Airport for Liberty County, GA under a 3-year contract. As manager, Volo oversees all aspects of FBO operations, as well as offers business oversight and strategic planning. All staff are Volo Aviation employees, and we provide all manner of FBO services. The Airports operates under a Joint Use Management with the Military which is shared with Fort Stewart Air Force Base. Hinesville offers 30,000 square feet of hangar and office, delivers 200,000 gallons of fuel annually, and is supplied by World Fuel Services.

TAMPA, FL (VDF) (2014- Present) Volo Aviation manages this sole-source FBO location at Tampa Executive Airport in Tampa, FL under a 5-year contract with the FBO owner. All staff is Volo Aviation employees, and they offer all manner of FBO services. VDF has 100,000 square feet of hangar and office space, and delivers 500,000 gallons of fuel annually; Volo Aviation is overseeing hangar and terminal capital improvements, and has already secured new tenants and grown transient traffic since being awarded the management contract. This location is supplied by World Fuel Services.

JACKSONVILLE, NC (OAJ) (2015-Present) Volo Aviation manages this sole-source FBO location at Albert J. Ellis Airport in Jacksonville, NC under a 5-year contract with the FBO owner. All staff is Volo Aviation employees, and they offer all manner of FBO services. OAJ is currently engaged in the development of a new state of the art 10K square foot commercial hangar. This location also performs all commercial airline into-plane fueling in addition to all GA fueling. Total gallons annually are in excess of 2M. This location is supplied by World Fuel Services.





1. Plattsburgh, NY (KPBG)
Plattsburgh International Airport
AIRINC: 131.525
P: 518-325-6000 F: 518-324-5560
Russell Lawless: rawliss@voloaviation.com

2. Bridgeport, CT (KBDR)
Sikorsky Memorial Airport
AIRINC: 131.425
P: 203-381-6000 F: 203-385-3845
Brian Ciambra: bciambra@voloaviation.com

3. Harrisburg, PA (KCXY)
Capital City Airport
AIRINC: 121.95
P: 717-525-9999 F: 717-525-9997
Sherrod Baldwin: sbaldwin@voloaviation.com

4. Jacksonville, NC (KOAJ)
Albert J. Ellis Airport
UNICOM: 123.00
P: 910-324-2500 F: 910-324-3323
James Smith: jsmith@voloaviation.com

5. Hinesville, GA (KLHW)
MidCoast Regional Airport At Wright Army Airfield
P: 912-877-IFLY ext 4359 F: 912-877-4366
Charlie Martin: Charlie@midcoastregionalairport.com

6. Tampa, FL (KVDF)
Tampa Executive Airport
UNICOM: 122.700
P: 813-626-1515 F: 813-630-2455
Andy Ochalek: aochalek@voloaviation.com

7. Sebring, FL (KSEF)
Sebring Regional Airport
UNICOM: 122.70
P: 863-655-6455 F: 863-655-6468
Jason Ali: jali@voloaviation.com

SECTION 2 QUALIFICATIONS (CONT)

AVIATION EXPERTISE

Engaging Volo Aviation LLC as your manager grants you access to our entire professional team. Volo Aviation's organization consists of over 100 focused professionals whom strive each day to deliver superior aviation experience in every facet of our business. Our managers and team leaders each have extensive experience in their respective areas of responsibility, which allows us to deliver a comprehensive and standardized product.

Resumes of our managers and team leaders are found on the following pages.



BRIAN CIAMBRA BIO

Brian has over 20 years of aviation experience. Half of Brian's experience has been with the aviation leader in aviation services, **Signature Flight Support**. Within Signature he held the position of Regional General Manager of White Plains NY, Morristown NJ and LaGuardia NY airports. Brian preaches a strong commitment to customer service, values and safety.

He possesses a strong knowledge in the M&A and Executive management of running assets. Brian's most recent positions over the past 10 years have focused on the M&A and as well as the management of FBO and airport assets. At **Skyport Flight Services**, Brian was the Managing Director reporting directly to the Board of Directors. He and the investors of Skyport acquired a small underutilized FBO in Westchester County airport NY in 2004. The acquired companies financials where greatly underperforming and within 18 months they where able to significantly turn them around increasing the EBITDA performance from \$500,000 to \$2,200,000.

In late 2006 he began an FBO venture with **Volo Aviation and Merrill Lynch**. Merrill Lynch's commitment was for up to \$250MM. (Brian and the M&A Group spent approximately \$90M). Over the next several years Brian has spearheaded the design of a new FBO chain (**Volo Aviation**). He lead every aspect of the acquisitions process as well as the development of the infrastructure from the ground up. Volo Aviation is the only new chain to be developed and branded in the past 3 years. Brian managed the assets for Merrill Lynch and ran the entire FBO business line for Volo Aviation. During there peak with Merrill Lynch they operated and owned 7 FBO's under Brian's direction. Brian assisted in Merrill Lynch's divestiture of the assets and the deal was closed in December of 2010.

Brian currently still serves as Senior Vice President/Managing Director of FBO Operations for Volo Aviation currently overseeing 7 locations throughout the East Coast.

In early 2013 Brian partnered with Mr. Raj Tala to form Skyport Holdings an FBO acquisition venture pursuing FBO's within the secondary markets. In March of 2013 Brian and Raj acquired there first FBO location in Harrisburg, PA and most recently there second in Tampa, FL. Brian serves as the President & CEO of Skyport Holdings.

Brian currently serves on three industry committee's with NATA, NBAA and IFBOA. Brian resides in Fairfield County, Connecticut with his wife Jackie and three children.



TODD SMITH BIO

Todd works as the Director of Business Development and provides regional management for multiple FBOs in the Volo Network. Todd has over 25 years in industry, including civil and military airport/FBO management both in and outside the continental United States. He is also a licensed commercial pilot.

Served over 20 years in the United States Army. In addition to his numerous duties and positions throughout his career, Todd's responsibilities included managing a fleet of seventy-plus rotary and fixed winged aircraft, air traffic control, ground and aviation safety and support personnel. Supervise active duty personnel, civil servant technicians and Contractors; served as Contract Officer Representative. In addition to these duties was responsible for the development, oversight and execution of the Pre-Accident Plan and Emergency Management Plan. Todd was awarded the Bronze Star for his service in Afghanistan.

Since his retirement from the military retirement Todd has successfully managed FBOs for private companies including Volo Aviation and during the past four years he has assumed the duties of Business Development Director for Volo Aviation and provides regional management oversight for the organization.

Todd serves on many boards and committees including NBAA, AAAE, and state organizations relevant to municipally run airports. Todd resides in Strafford County, New Hampshire with his wife Tracy , two teenage daughters and awesome English Black Labrador Roland.



CLYDE LIPFORD BIO

Clyde serves as the HS&E/Training Director and has a deep knowledge and experience in fuel quality control, delivery standards, and ramp operations, with a focus on safety. He possesses tremendous skills in developing and maintaining team cohesiveness and communications, as well as maintaining customer loyalty.

With Volo Aviation, he is responsible for oversight of all Line Service operations and overseeing work procedures to ensure proper standards are followed. He is also responsible for all fuel quality control procedures for fuel farms and distribution equipment (API gravity, temperature, and gross). Most importantly Clyde is responsible for all training and fuel quality control records throughout the Skyport and Volo network.

Clyde also serves as a fuel farm operator and inspector for World Fuel Services. Within these duties, he is responsible for inventory management, sampling and testing of fuel products for quality control of 100K gallons of Jet A and 25K of Avgas storage facilities. He trains all new hires for fuel farm operations and performs basic maintenance of the farm facilities as required.

Clyde is also NATA 1st Professional Line Service Certified and Fire Safety Certified.



Yvette Novacek BIO

Yvette is an entrepreneurial Manager with strong sales, customer service, and client loyalty skills. Strong advocate of teamwork, performance excellence and continuous improvement.

With Volo Aviation, Yvette is responsible for overseeing Customer Service staff and emphasizing Volo Aviation standards and protocols. Focus on constant development and improvement of customer service delivery in all internal and external interactions across all Volo platforms. She oversees all marketing efforts to promote Volo Aviation through email, social media, and print marketing campaigns.

Marketing and sales are in Yvette's blood. She was a buyer for Parfumerie Douglas, While there, she was responsible for analyzing inventory, and maintain stock levels by vendor for store. She strategized with store managers to promote sales events with key vendors.

As a manager for the Chanel line of Lord and Taylor, Yvette developed and implemented strategies to expand sales volume and customer base. Functioning as coach and mentor, she developed employees to reach their full potential while encouraging ownership and accountability for results. She increased Chanel product line sales to a ranking of #1 in New York and #3 corporate-wide.



SECTION 2 QUALIFICATIONS (CONT)

VOLO OPERATIONS AND MANAGEMENT APPROACH

1. Training & Program Manuals
2. Fuel Quality Control Program
3. Inspection/Audit Procedures
4. Human Resources Support
5. Legal/Accounting Support
6. Marketing and Sales Initiatives



Volo Aviation
Emergency Procedures

1st Edition

© 2008



Volo Aviation

Fuel Handling and Quality Control
Manual

1st Edition

Published: January 2008

© Volo Aviation

1st Edition



Volo Aviation
Communication Program

1st Edition

© 2008

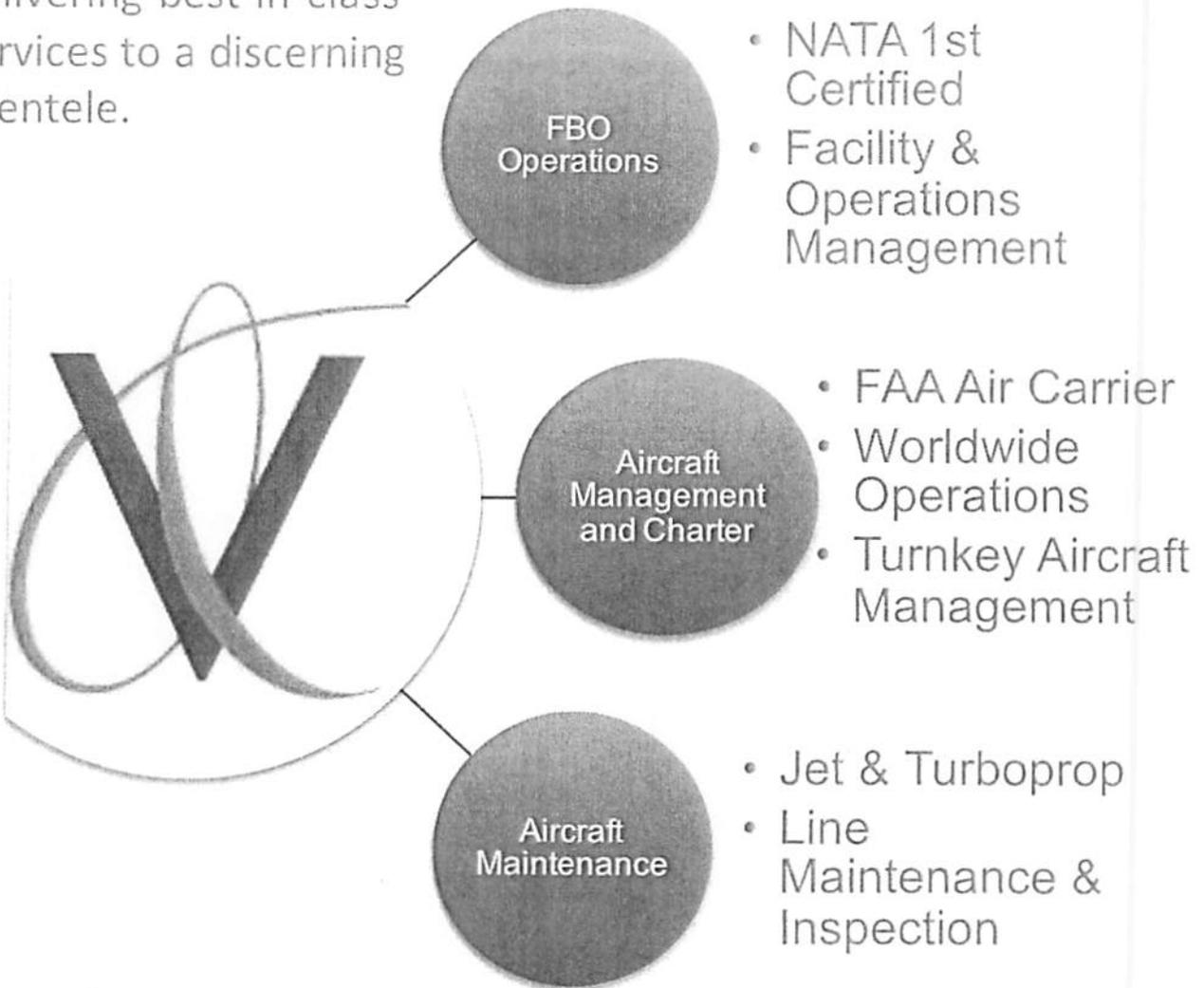


© Volo Aviation

SECTION 2 QUALIFICATIONS (CONT)

VOLO FBO OPERATIONS AND MANAGEMENT PROGRAM

A fully integrated aviation company delivering best-in-class services to a discerning clientele.



SECTION 2 QUALIFICATIONS (CONT)

VOLO CHARTER

- Volo Aviation holds an FAA Air Carrier Certificate, and is authorized for global operations under 14 CFR Part 135, On Demand Charter.
- We currently operate a Gulfstream IV, a Falcon 900, a CJ-1 and a TBM on our charter certificate, all based at Bridgeport CT.
- Experienced in-house charter sales team, leveraged with a charter marketing relationship with:
 - Gama, Tailwind, North American Air Charter, Volo enjoys preferred status at Sentient Jet, and is thus able to leverage those companies' capabilities in providing the best in on-demand private charter for our clients across the country.
 - Our due-diligence has identified requirements for on demand charter opportunities specific to RZR and it's surrounding airports. We believe we will be able to identify specific aircraft to potentially base at RZR which will provide on site charter.



SECTION 2 QUALIFICATIONS (CONT)

OUR TRUSTED PARTNERS

Volo Aviation has carefully selected and aligned itself with highly reputable firms to allow consistent service delivery.

Risk Management

Marsh- Marsh acts as our broker of record for placing coverages, including airport and aircraft liability, property, environmental, WC, etc.

Zurich- Zurich provides Volo with commercial property coverage.

Covenant Risk Advisors- Covenant provides Volo with ongoing advice and counsel on risk management.

Fuel Supplier's

World Fuel Services- World Fuel Services is Volo's preferred fuel supplier and provides Volo with ongoing support and access to expertise in relation to fuel storage, delivery, and airport operations.

Phillips 66- is also a valued and utilized vendor within our network.



SECTION 2 QUALIFICATIONS (CONT)

MARKETING PLAN

BASICS

Volo Aviation prides itself on engaging in a cost-effective yet efficient marketing campaign based primarily on locally-based initiatives and outreach. Through our experience operating FBO's at second- and third-tier airports, we have learned that large marketing budgets with expenditures on national campaigns do not necessarily drive desired results. In short, more money does not always mean more business.

Generally, for smaller FBO's that are not located at a "destination" airport, attracting new business usually means going back to the basics: offering a very competitive fuel price and inviting pilots to organized gatherings (fly-ins, safety seminars, etc.). We have found that well-coordinated and targeted efforts that let the aviation community know you are there pay off in a gradual increase in both new and repeat business.

We propose a marketing plan that relies on the following:

Provider listings on industry-leading airport database websites, including:

- AirNav
- CharterNation
- FltPlan.com
- AOPA

Inclusion on Volo Aviation's main website: www.voloaviation.aero

Generating local interest through frequent and relevant information postings on Facebook and other social media outlets

Assistance in maintenance of the existing airport website

Targeted email and phone outreach efforts to both existing and potential clients to communicate upcoming events, special fuel pricing, and other useful information.

SEO- AN EFFECTIVE MARKETING TOOL

Volo Aviation engages in a highly targeted and specific search engine marketing campaign. We use a full-service digital advertising solution provider to help drive brand awareness at the local level. Through a combination of organic search engine optimization (SEO) and Paid Search results, we have been able to increase brand awareness with minimal expense. We can offer that same focus to drive more interest to Cleveland Regional Jetport's website, which will lead to more awareness of the services and amenities you provide. And because we offer you a dedicated page within the main Volo Aviation website, our campaign efforts can help you twofold: traffic landing on our site will see your location as well.



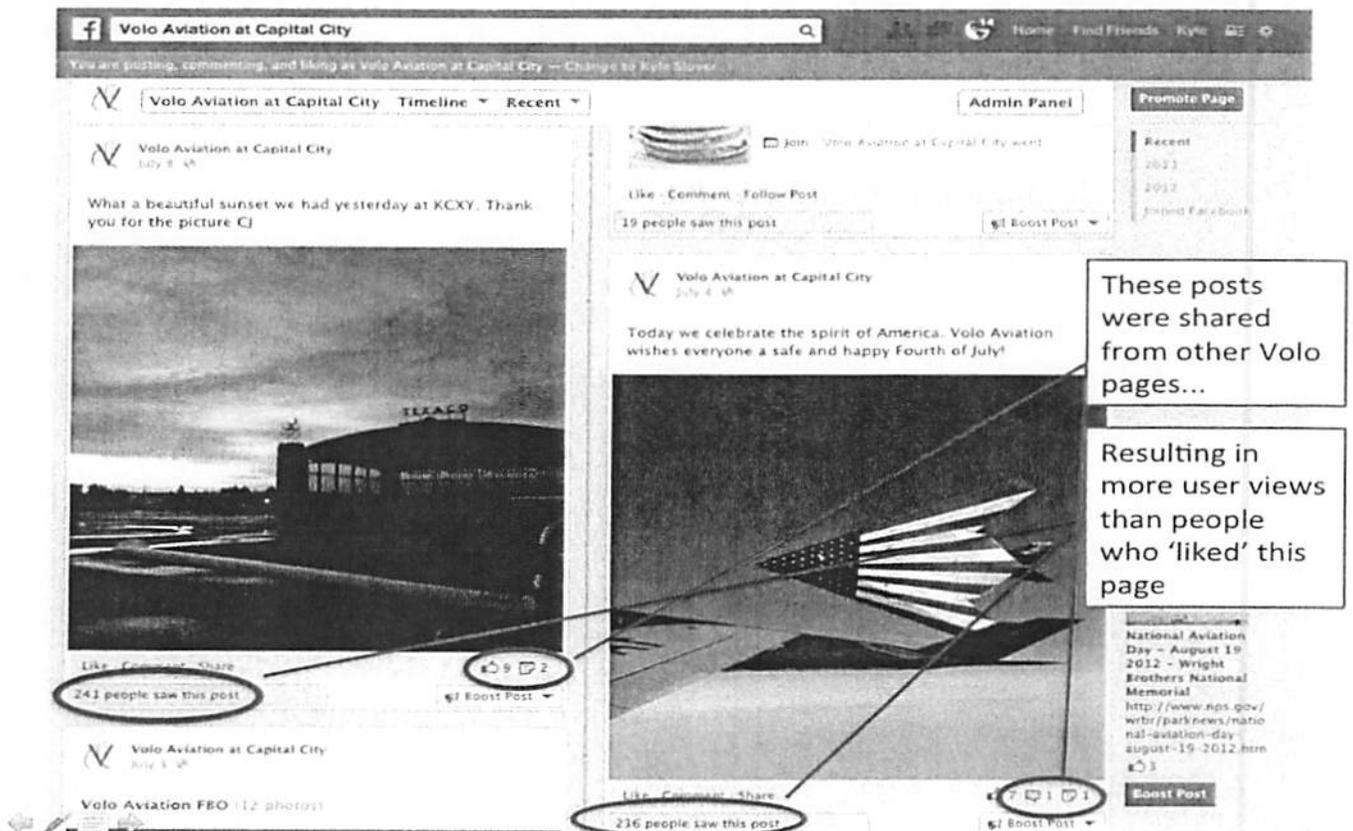
SECTION 2 QUALIFICATIONS (CONT)

MARKETING PLAN

SOCIAL MEDIA- A NECESSARY EVIL

Love it or hate it- social media is an integral part of an effective marketing campaign. Facebook has become its own online reference source, where information contained on a Facebook page is returned as a result to user searches. The great thing about Facebook is it is free, and thus can be a very effective tool in communicating to the public. Volo Aviation encourages our managed FBO's to set up a local Facebook page. We then assist in generating frequent and relevant postings, which we share amongst the other Volo location pages for increased awareness and visibility. We work with local staff to continue developing an online presence that encourages interaction and feedback, which is important to building client loyalty.

Here is a screenshot of an example of Facebook postings on our Harrisburg location page that were shared from the other locations.



As you can see, effective management of Facebook postings and interaction can result in more eyeballs on your location's communications.



SECTION 2 QUALIFICATIONS (CONT)

MARKETING PLAN

GENERATING LOCAL INTEREST

Volo Aviation recognizes the value of maintaining a local focus on your marketing efforts. Our General Managers strive to engage the local community at events that build awareness and interest. Usually, once pilots have visited a Volo facility for a fly-in or other event, they tend to return when engaged in other flying activity. Also, we have found that engaging in community-driven activities such as food bank drives, Toys for Tots, etc. brings a sense of involvement and acceptance from the community, who may not otherwise be aware of the benefits that an airport offers. Our locations often host charitable fundraising dinners, whose guests sometimes become future clients. Frequently at these events we have heard the phrase "I never knew you guys were even here. I'll come by next time I'm up."

GETTING INVOLVED WITH THE LOCAL COMMUNITY

Recently, our Harrisburg location organized a breakfast fly-in that featured a local member of Congress to address airport-related concerns. This event was well-attended by both pilots and non-aviation members of the local community. Here is the email that was sent to a local contact list:

Volo Aviation can assist local staff in coordinating and arranging events such as these, as well as handling pre- and post-event notices and communications.

KNOWING YOUR CLIENTS

It can be difficult to determine your client base, and then more difficult to determine how to contact them. Volo Aviation can assist with this challenge. Utilizing tools such as FlightAware, Passur and TraqPaq, we can provide actual data on not only who flew to your airport, but also who flew to alternative airports in the local area, and what the fuel price was at these alternates. Using this data helps tailor the messaging that we send to contacts to inform them of the benefits of using Cleveland Regional Jetport. This data also helps management make informed decisions on how to set fuel pricing.

2nd Annual Blackhorse 4 Heroes Fundraiser dinner set for Saturday September 28th.



We are pleased to announce our second annual Fundraiser dinner.

Mark your calendar because on Saturday, September 28th we're shutting down the new and exclusive Volo Aviation hangar at the Sizemore Municipal Airport, and opening its doors to you for a special night. Best of all, it's for our veterans, our heroes who served us and keep us free. This event will provide the funding for Blackhorse 4 Heroes to continue its program, serving veterans, and bringing awareness to the public.

So polish your shoes, and get ready. We are going to raise funds while raising the roof. You will also get to learn more about veterans and the incredible way horses help us understand ourselves. You will also get to meet Benjamin the gentle giant. This Clydesdale was rescued and permitted has more in common with our veterans than we understand.



Don't Miss The Fun ~

Scott Perry - US Representative will be joining us for a Fly-In breakfast and to discuss aviation related issues and constituents' ideas and concerns.

0900 - 1200 Saturday, August 24th, 2013 at our facility

Please come and enjoy a FREE Breakfast, Pilot Shop Sale Specials and much more!

Volo Aviation - KCCY
Capital City Airport
113 Airport Road
Hartsville, PA 17070

SECTION 2 QUALIFICATIONS (CONT)

MARKETING PLAN

REPRESENTATION AT INDUSTRY EVENTS

Volo Aviation personnel attend several industry-specific conference and networking events each year, including the annual NBAA Convention, the NBAA Schedulers and Dispatchers Conference, the NATA Air Charter Summit, and other regional events from time to time. We often choose to exhibit at several of these events, and we can offer Cleveland Regional Airport the opportunity to enhance their visibility by being part of a Volo Aviation exhibit. Occasionally at the larger conferences, Volo Aviation may decide to be "grouped" with a fuel provider (such as World Fuel Services or Shell Aviation), which also enhances visibility, since these large group exhibits tend to attract more foot traffic than a small stand-alone display.

Volo Aviation exhibit booths usually include a multimedia presentation identifying our locations and amenities, as well as print collateral detailing the specifics of each location. The booth is staffed with managers who are knowledgeable and able to answer specific questions as asked by show attendees. The cost of exhibiting at shows is prorated amongst the locations that benefit.



PRESS RELEASES

From time to time Volo Aviation will distribute press releases to announce new business, new locations, new management agreements, service improvements, facility updates, and other important events. We distribute to over 30,000 media outlets, and always include any local distribution that is pertinent to the announcement. A quick Google search of 'Volo Aviation' will show the value of press releases, as they remain in the public domain for some time. We also utilize social networking outlets such as LinkedIn to redistribute our press releases, which serves to boost the awareness of the release amongst qualified and targeted individuals. Volo Aviation is a firm believer in press releases, and is proud to announce our achievements to the aviation industry.

ANNUAL MARKETING BUDGET

We will work closely with the Authority in creating an annual budget 'Advertising/Marketing' reflects participation as proposed above. This includes a monthly cost of \$500 for display listings in AirNav, CharterNation, FltPlan, and AOPA, as well as an RZR-specific SEO campaign. There is a one-time fee of \$500 to build the location page on the Volo Aviation website, and we estimate two press releases annually for your location, at \$175 each. Exhibitor booths at conventions are shared amongst the locations, and each location is responsible for travel and lodging for staff they may choose to send. (Note- we did not estimate for any RZR staff attendance, but will certainly offer the opportunity). For each expense incurred, Volo Aviation will not mark up any invoice or amount, and will document prorate amounts for grouped or shared expenses. We also envision 4 local events such as breakfast fly-ins and cookouts at a cost of \$250 per event. (Note: these are recommendations, and will only engage in those outlets as directed by the RZR).



SECTION 2 QUALIFICATIONS (CONT)

OUR THOUGHTS DRIVING INCREASED BUSINESS/ CORPORATE TRAFFIC

- Aggressively market airports with competitive fuel pricing for transients.
- Encourage corporate and charter operations to consider RZR.
- Engage qualified charter operators for charter support (Gama Aviation, Tailwind Aviation, JetAccess, North American Air Charter, Venture Jets).
- Improve the Customer Experience through our formalized Customer Service and Line Service standardized training programs which will result in consistent superior service to all clientele.
- Institute and create stability for the employees and clientele.



SECTION 2 QUALIFICATIONS (CONT)

OUR THOUGHTS DRIVING INCREASED GA TRAFFIC

- Aggressively market regionally competitive fuel pricing for transients.
- Aggressively market Tie-Down availability, offer a fuel discount incentive.
- Promote events coupled with fly in breakfast- i.e. free breakfast with fuel purchase.
- Host and promote interest events, i.e. classic cars, 'Wings & Wheels', boat & marine, etc.
- Engage area flight schools with preferred fuel pricing offers in efforts to drive them to RZR for cross country/flight school training.
- Partner with local service providers (flight schools, maintenance) towards deliverable cost savings designed to drive traffic (i.e. 50 free gallons for an annual inspection)
- 'Weekend discount' program for transients.
- Improve the Customer Experience.



SECTION 3 PUBLIC/PRIVATE/PARTNERSHIP (CONT)

RZR/VOLO AVIATION/GPA/GAM



Proposed Service and Structure will be to industry standard across the board. Our Executive and Transition Team's will come in and assess the existing personnel on board with the existing FBO in order to ensure we retain the best possible staffing in accordance with all regulations and appropriate industry standards.

The following is a summation description of the proposed scope of operation for each business activity and the applicable activity. We are completely prepared to meet the minimum standards of NFTA.

1. Commercial and Military Aircraft Fueling and oil dispensing.
2. Commercial Air/Cargo Carrier ground handling.
3. Aircraft Storage (tie-down and hangar facilities).
4. Aircraft Ramp Services (towing, parking guidance, etc.).
5. Management and Subleasing of airport T-hangars, shade shelters, and tie-downs.
6. Operation of fuel farm for the storage, handling, and delivery of aviation fuel products.
7. High Standard of Customer Service for all pilots and passengers. This will be our first and foremost objective: Bring the FBO aesthetics to the highest of standards demonstrating an aggressive approach towards customer service.
8. Emergency service to disabled general aviation aircraft.
9. Employment of the appropriate number of properly trained and/or certified personnel to provide satisfactory FBO service and handling,
10. Flight Training
11. Aircraft Maintenance

Committed to providing all services in accordance with minimum standards of NFTA.

Fuel offered will be Jet-A with/without PRIST, Avgas and necessary GSE fuels.

In addition, we will provide for any and all deficiencies of equipment required to ensure the highest standards of support are provided.



SECTION 3 PUBLIC/PRIVATE/PARTNERSHIP (CONT) RZR/VOLO AVIATION/GPA/GAM



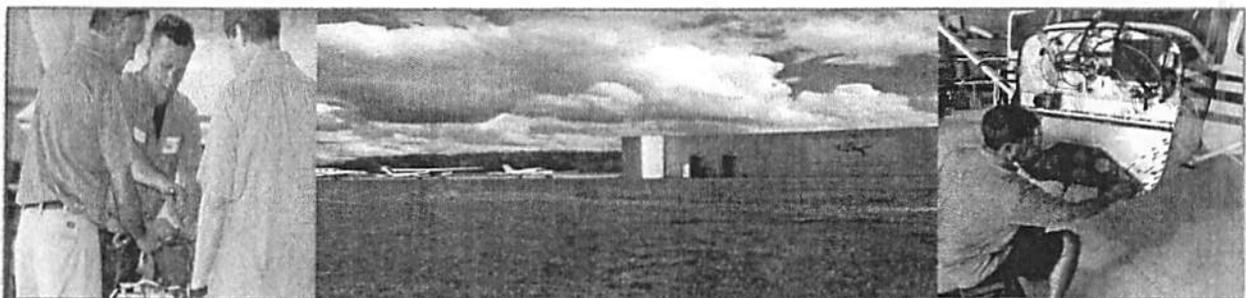
Given our initial assessment, Volo Aviation and **Global Aviation Alliance** (which includes Global Pilot Academy and Global Aero Maintenance) are prepared to bring premier aviation maintenance service and Flight Training to Cleveland Regional Jetport. Upon assumption of management by Volo Aviation and with appropriate vetting of the greater Cleveland market, Global Pilot Academy is prepared to position staff and aircraft to support the demand for Flight Training at RZR. Our immediate assessment with limited and combined research has identified the lack of Flight Training services currently in place at RZR as well as aviation maintenance services at RZR.

Our focus will be on the immediate needs of both "light" GA and Part 145 and 141 Operations.

In addition we would be prepared for any emergency or unscheduled transient maintenance activity. As with all other services we would provide, Global would first assess existing infrastructure and personnel in order to provide and retain the best possible operations and staffing in accordance with all regulations and appropriate industry standards.

Please reference separate PowerPoint covering Global Alliances scope of work and company background.

In addition to GPA's desire to operate at RZR, Tailwind Aviation has indicated significant interest to provide aviation maintenance services in addition to part 135 charter partnership should Volo Aviation be awarded a management agreement with Cleveland County.



SECTION 4 PROPOSAL/FEEES

SERVICES PROVIDED

Volo Aviation proposes to be engaged as Manager of FBO Services under a Management Services Agreement with the Cleveland Regional Airport, for an annual management fee of \$65,000. As Manager, we confirm that we have the desire and capacity to cause to be completed the required services identified in the Scope of Services detailed below. Volo Aviation envisions creating a new LLC for this project to efficiently accommodate local taxation and payroll matters.

We feel that being engaged under a flat rate frees us from any potential conflicts acting as Manager. Our goal as your Manager is to procure the best possible rates and pass them directly on to you, our client. Whether it be procuring insurance or negotiating with fuel suppliers, our philosophy is transparency. And yes, we have been able to deliver measurable cost savings to each of our FBO owners by working with this philosophy in mind.

Volo Aviation will oversee all aspects of the FBO business through their RZR staff with day to day oversight from its headquarters in Stratford, CT "BDR" as well as daily oversight and support from it's Regional Management personnel supporting RZR.

SCOPE OF SERVICES

FBO OPERATIONS

As Manager, we will oversee all of the Day to Day aspects of the FBO operation through our RZR staff with day to day oversight from headquarters in Stratford, CT "BDR". Regional support will be recognized on a daily basis with management personnel supporting RZR on the ground on a weekly and potentially daily basis.

AIRPORT & FACILITY OPERATIONS

As Manager, we will provide additional support in assisting the Airport Authority with light maintenance within the airport grounds. i.e. replacing light bulbs, minor repairs within the facility, landscaping, etc.

STAFFING

As Manager, we would quickly perform an audit of current staffing levels and evaluate availability vs. business demand and hours of operation. It is our recommendation the staff be Volo Aviation employees and to discuss any staff level changes or recommendations with the Cleveland Regional Airport Advisory Committee prior to implementing. We envision maintaining the local reporting structure, with the facility Manager reporting to both Brian Ciambra and Todd Smith. Other interested parties County, Airport Authority, etc. may interface with the FBO staff or Volo Management as the situation dictates. Also please refer to Mr. Ciambra's resume, as well as other senior Volo staff, which follow in this section.



SECTION 4 PROPOSAL/FEEES (CONT)

SAFETY/HS&E

As Manager, we will maintain and oversee all safety requirements involved within the FBO business. Our HS&E Manager will perform regularly scheduled visit

STANDARDS PROGRAMS, TRAINING & QUALITY CONTROL

As manager, we will implement our standard training and fuel Quality Control programs and oversee all aspects of Training and Fuel Quality Control.

Volo Aviation FBO management services include a comprehensive suite of manuals, procedures, checklists, and training aids to ensure that all staff members are properly prepared to perform their duties, as well as develop an awareness of the importance of the duties of their colleagues. We find this encourages a sense of teamwork, where all personnel exhibit a professional respect for their coworkers. All of our current line staff are trained to NATA 1st standards, and customer service personnel are trained by personnel from our Stratford, CT headquarters to ensure a consistent and standard service delivery across our platform.

Examples of one of Volo Aviation's service standard follow.

Volo Aviation's Standard Operating Procedures (SOP's) include checklists for staff audits of all facilities and equipment to ensure all assets are able to perform to peak efficiency. We would establish proper reporting protocols between Volo, the County, and other interested parties as required (FAA, DOD, etc.) ensuring that items needing attention are rectified in the most efficient and cost-effective manner possible.

FUEL QUALITY CONTROL

Volo Aviation's Standard internal QC manuals mirror the required ATA manuals as well as additional requirements which we have added to enhance the fuel quality control program and oversight.



SECTION 4 PROPOSAL/FEEES (CONT)

SECURITY

Similar to the quality audits, all staff are trained to Volo Aviation's standards to ensure the safety and security of all premises and personnel. Procedures for personnel clearance, escort, badge challenge, and visitor privileges are established for each location as appropriate.

Examples of Volo Aviation's daily quality audit and physical security program checklists follow.

ADMINSITRATION

As manager we will manage all employee responsibilities from fuel contract management, payroll, benefits and any Human Resources related items. Procurement of insurance, i.e. workers comp, general liability/hangar keepers, auto, etc.

MARKETING & SALES

As manager we will incorporate Cleveland Regional Airport into our FBO Network helping generate national exposure for RZR. We will also develop specific programs focused on RZR. Please reference our Marketing & Sales Plan section for a comprehensive detail.

ADDITIONAL SERVICES

In addition to the required services, Volo Aviation management may include:

- Accounting Support as required, including annual budgeting, periodic variance analysis, and business performance reviews.
- Risk Management, through our partners at Marsh, Chartis, and Covenant Risk Advisors
- Human Resources management.
- Additional services not contemplated, including but not limited to, financial auditing, legal support, etc., will be billed as rendered.
- Access to other business partners such as national flight schools and aviation maintenance providers.



SECTION 4 PROPOSAL/FEEES (CONT)

ADVANTAGES

- FBO ownership does not change.
- Owner maintains current equity in their FBO and retains upside and market rebound opportunity.
- Volo will receive a purchase option.
- Volo could assist, and possibly participate in the sale as a broker or potentially the buyer.
- Lower Direct Operating Cost.
- Fuel Procurement.
- Aviation Insurance.
- Hotel Revenue.
- Credit Card Fees.
- Rental Car Revenue.
- Catering Revenue.
- Employee Benefits.
- Hangar Supplies.
- Access to Sales Initiatives.
- Direct access to Volo Sales initiatives, industry contacts and Management team.
- Utilization of an industry leading Flight Tracking Program.
- Utilization of industry leading aircraft and fractional owner list.
- Access to National Fuel relationships with all the major Fractional and larger charter operators.



SECTION 4 PROPOSAL/FEEES (CONT)

- Labor Volo's efficiency.
- Insurance Procurement and potential savings throw Volo's buying power.
- Fuel Cost savings through national fuel contract with World Fuel Services (WFS).
- Access to Volo's Ground Support Technicians. Volo will offer at no additional cost access to the utilization of our it's ground equipment maintenance staff.

Estimated Budget Proposal (excluding hangar keepers, workers comp etc.):

Item	Cost	Summary
Payroll	\$120,000	1 FT GM/Line SVC, 3-4 additional LS/CSR (Mix PT/FT)
Management Fee	\$65,000	3 Months Walved
Hangar N-1 Revenue	\$15,000	20% profit sharing for N-1 Business (\$60K net to CJP, vs. current structure)
Estimated Total	\$200,000	

1. *Additional savings regarding FBO operations (i.e. credit card fees, truck leasing, fuel purchasing, insurance, etc.) will be identified through analysis by CRJ personnel and Volo Aviation.*
2. *5 year term, 5 year option (or first right of refusal for traditional lease option).*
3. *3% annual increase of management fee.*
4. *In addition to services outlined within this proposal, all NBAA booth fees are included at no additional cost to CRJ. This will ensure RZR has maximum exposure within the Volo Aviation network at four annual NBAA trade shows.*





CORPORATE FLIGHT MANAGEMENT



Submitted by
Corporate Flight Management, Inc.

DUNS # 107059743
CAGE Code: 0ZED7
TIN 621148507
276 Doug Warpoole Road
Smyrna, TN 37167

Point of Contact
Allen Howell
Executive Chairman
Cell: 616.804.6740
Allen.howell@flycfm.com



STAGE II



CARB APPROVED
AIR CARRIER

This proposal includes data that shall not be disclosed and shall not be duplicated, used or disclosed, in whole or in part, for any purpose other than to evaluate the opportunity for Corporate Flight Management, Inc. (CFM) to enter into an agreement with the recipient. If, however, a contract is awarded to CFM as a result of, or in connection with, the submission of this proposal and the recipient incorporates the submission as part of the award, the recipient shall have the right to duplicate, use, or disclose the data.

Proposal for Providing Fixed Based Operations and Specialized Aviation Services for the Cleveland Regional Jetport

Corporate Flight Management, Inc. (CFM) proposes to provide FBO and Specialized Aviation services under the following terms.

I. Fixed Based Operations:

Hours of Operation:

CFM believes the proper hours of attended operation at the present activity level should be 11 hours per day / seven days per week. Open and close times can flex with seasonality (short daylight winter season versus long summer days). We would start this summer operating from 0700 to 1800 hours each day. We would be available for after-hours operations with notice, and charge a reasonable fee for providing after hours service. As business increases over time we would increase hours of regular operation to meet demand. We are currently 24 / 7 at our two locations in Middle TN.

Staffing:

We propose to staff the FBO operations with a General Manager (GM) (please see attached resume of Nora Cole, our proposed GM). Nora would be on duty with normal office hours of 0800 to 1700 but be available for after hours and weekends. Initially Nora will serve part of her on duty time as one of the customer service representatives (CSR). We would schedule overlap of other CSR's in order to give her time to manage the operation and perform other GM duties to include business development activities and outreach to the local community to promote aviation, the airport and the flight school. Either the GM or a CSR would be on duty during all attended/ open hours of operations 7 days per week. Additionally we would staff the FBO with a primary Line Service Technician during all open hours. The GM and the CSR's would be cross trained to assist the LST's with servicing aircraft during peak busy times. Additionally CFM can support the functions of LST and CSR by augmenting with staff from our Smyrna TN (KMQY) operation, which is 105 nm flying and 2.5-hour drive from KRZR. In the event of staff being on vacation or taking sick/ personal leave we can send KMQY personnel to cover. CFM would provide overnight accommodations and per diem reimbursement for personnel on temporary duty assignment from our other locations. To assure CFM's quality and safety standards, CFM will interview any current employees of the current FBO operator and if selected we would retrain and take the employee through our new hire process including line service and customer service training. In the first 30 days of operations, CFM

would have Smyrna / Nashville based FBO personnel on site at KRZR to assist in startup and standardization of CFM's FBO procedures and processes.

Building and Grounds Upkeep:

CFM would assume responsibility for the cleaning of the interior of the terminal building to include cleaning of the exterior and interior glass. Additionally CFM would assume responsibility for the upkeep of the grounds immediately surrounding the terminal building (grass and landscaping). CFM will coordinate with the Director of the Airport Authority to create a checklist of cleaning and grounds upkeep to assure the facility is in "top notch" condition at all times.

Equipment Use and Maintenance: CFM would properly care for and maintain the airport's Hobart Ground Power Unit and Tow Tractor in exchange for use of the equipment for towing and starting aircraft that are customers of the FBO. CFM will provide small equipment for FBO operations including line service radios, line service equipment and supplies, and fuel testing and fuel farm management supplies.

Marketing / Business Development / Growth Strategy:

Special Aviation Events: CFM will work with aircraft manufacturers and other aviation companies to host events at the airport to promote new aircraft and aviation products. We have found this to be a draw to the airport from the aviation community. At our other locations we have hosted events with Embraer, Bombardier, Cessna, Cirrus and Diamond Aircraft. We also host events to showcase our charter fleet to the local business community.

Cookouts / Fly-In Events / Community Events: CFM will be glad to host cookouts for the aviation community, Fly-In events (EAA pancake breakfast or Aircraft owner group events) and Community/ Charitable events at the airport. At our Smyrna location we have donated the use of our facility for over 10 years for an annual event called the Wings of Freedom Fish Fry. This event draws over 1,200 people annually from the local community and raises in excess of \$100,000.00 for the Smyrna Rotary Club. The exposure we and the airport receive from this event with the community is positive. It is a way to get people to the airport.

Co-marketing with the RZR Airport Authority: CFM will work in cooperation with the Airport Authority to market the development of hangars at the airport to grow the local based aircraft. It is critical that the FBO be a part of the process since fuel and hangar storage costs go hand in hand when decisions are made about a corporation or individual basing their aircraft at a new location. CFM has a proven track record of working with the two airport authorities at our FBO's to attract new customers through strategic pricing of fuel, hangar storage and

hangar development. David Augustin and Allen Howell will be available to be a part of this process.

Contract Fuel Programs for Transient Customers: CFM offers several contract programs for transient customers, which provides visibility to sites like AirNav.com and also visibility to flight departments using the contract programs. This draws traffic from larger airports when the operator is looking for a better fuel price and an easy airport to utilize. We receive a significant portion of our transient fuel sales at both of our locations from large operators such as Netjets, Flight Options, and Flexjet, who use our locations as alternatives to BNA which has traditionally had higher pricing. Wilson Air Center at CHA has an excellent service reputation and their prices reflect it. We believe we can compete for some of the business that flies into the Chattanooga / Cleveland area by offering excellent service at a lower fuel price. We are successful at this strategy at our two locations surrounding Nashville.

Digital Marketing – Social Media, Campaigns: CFM maintains a presence on social media sites including Facebook and LinkedIn. We use these sites to promote the brand and advertise special events.

Conventions: NBAA S&D: CFM attends the NBAA Schedulers and Dispatchers annual convention to network and promote our FBO's and charter operations. We have found this to be the most effective convention for promoting our company. The primary attenders of this convention are the people who make decisions about which airport their flight departments use and which FBO's they select to buy fuel from.

II. FAR Part 141 and Part 61 Flight Training and Aircraft Rental:

CFM is the owner of Wings of Eagles School of Flight (www.flywingsofeagles.com), which started in 1998 and has grown to become the largest flight school in Middle Tennessee outside of MTSU's university degree program. We train pilots for professional careers as well as pilots learning to fly for business and recreation. Wings holds a FAR 141 Certificate and is VA approved for GI Bill reimbursement.

Based Flight Training / Rental Aircraft: We would propose to base a training / rental aircraft at KRZR immediately. The students at KRZR would have access to CFM's multiengine and complex training aircraft based at Smyrna for pursuit of advanced ratings. Our proposed FBO Manager, Nora Cole, is a current certified flight instructor and would be available to provide discovery flights to prospective clients. We would recruit additional flight instructors from the local Cleveland and Chattanooga area.

Growth Strategy:

- **Promotion of Aviation in High Schools:** As part of our efforts to promote aviation we would be available to speak at career days at local high schools. We would also promote learning to fly at the high school level.
- **Discovery Flights / Charity Event Donations:** The best promotional tool for learning to fly is the Discovery Flight. Getting people of all ages that first flight where they can put their hands on the controls and actually fly the aircraft creates new students. We do this at both of our locations and donate Discovery Flights at Charity Auctions to promote the school and get people to the airport.
- **Work with the local colleges to develop aviation programs:** CFM would work with the Airport Authority, Local Business Leaders, and the local Colleges and Universities to develop aviation programs for pilot ratings. In an industry with a shortage of pilots the job opportunities have never been better for young people pursuing a career as a professional pilot.
- **Promote leaseback with local aircraft owners:** Wings of Eagles business model uses a combination of internally owned aircraft and leaseback aircraft. The leaseback model is a revenue sharing structure where the leaseback owner receives a percentage of every revenue hour generated in training and rental. The owner is able to offset the fixed costs of aircraft ownership and in some cases receives tax benefits of depreciation from aircraft ownership of an aircraft in service for training. Wings of Eagles also works with Cessna and Cirrus to manage and provide leaseback to their customers who purchase aircraft in our market area. If awarded the FBO, we would invite Cessna and Cirrus Design Aircraft to participate in "on airport events" and work with the sales representatives that cover the area around Cleveland to feed us leads for prospective aircraft to base and utilize for training/ rental.

Wings of Eagles is a profitable flight school with annualized revenues just over 1 million dollars. The flight training business is a low margin business but provides a funnel to feed clients to our other aviation services such as fuel, hangar storage and charter service. The flight school also is a source of new pilots for our growing charter fleet and regional airline fleet.

III. Aircraft Maintenance:

Option A- Montgomery Aero:

CFM has engaged in dialogue with Andreas Montgomery, the owner of Montgomery Aero ("MA") (www.montgomeryaero.com) about providing maintenance service under CFM's proposal to provide FBO and Specialized Services at KRZR. Attached to this proposal in the Exhibits Section is a summary of MA's capabilities, the owner's resume, and a plan for providing maintenance at KRZR. The company is currently based at the Athens, TN Airport (KMMI) and would keep their facilities there for their big project maintenance.

We believe this option offers several advantages to the airport and based customers:

1. Although a relatively young business, the owner is from the Chattanooga area and has deep roots in the aviation community in Southeast Tennessee. He is a third generation aviator and holds Inspector Authorization and Airframe and Powerplant Licenses, as well a Commercial Pilots License.
2. MA will be able to start immediately at KRZR providing light maintenance and avionics support for the based customers.
3. MA will lease the entire hangar space and assume the cost of utilities for the hangar and attached office/ shop space.
4. MA works on a wide range of aircraft from single piston to twin turboprop and helicopters.
5. We believe that MA will attract additional based customers at the airport and generate additional fuel sales for the airport through their Part 91 aircraft maintenance management program. This is not in conflict with CFM's aircraft management services since they manage a different class of aircraft and do not offer Part 135 charter services.
6. CFM can provide parts for avionics support for MA through the dealership and service center authorizations we maintain at Smyrna. Additionally for major jobs or aircraft types that are beyond the scope of MA's capabilities and qualifications, CFM's Smyrna based maintenance facility can support based aircraft at KRZR.
7. CFM would invite MA to participate in our marketing and promotional efforts at the airport as a strategic partner.

Should CFM be selected as the FBO operator we would engage immediately in working with MA to create and execute a definitive working agreement between the two companies. CFM would expect that there be a clear understanding about the services that each company will provide so there is no overlap or competition between the two companies at KRZR. Based on our initial dialogue with the owner we believe we can come to an agreement that works for the best interest of CFM, MA, the airport, and the based customers at the airport.

Option B – CFM Operates Maintenance:

If for any reason CFM is not able to come to an agreement with MA that works for all parties, CFM is prepared to provide maintenance at KRZR with the support of our main maintenance base in Smyrna TN.

Within 90 days of being awarded the contract to provide FBO Services at Cleveland we can have a maintenance operation up and running for providing light maintenance and avionic support to the based aircraft. We would begin immediately to recruit and hire a qualified maintenance manager who would also be qualified to perform maintenance. We would also recruit and hire an avionics technician who could provide routine avionics service to the local based aircraft under the guidance of our main avionics facility at Smyrna. CFM has service center / dealership authorizations with all of the major avionics manufacturers and could sell parts and installation / modifications through our dealerships.

Growth Strategy: Our strategy for growth would be to build a customer base (local aircraft and fly-in customers that would allow us to increase our staff and service offerings. The maintenance operation at Cleveland would have the advantage of shared tooling, parts and expertise of the Smyrna operation. We would start by promoting basic service to the local aircraft owners and then reach out to aircraft owners at surrounding airports.

IV: Aircraft Management and Charter Service (FAR 91 / 135):

Initial Service: CFM will provide charter service immediately with our Tennessee based aircraft. We presently have the largest fleet of business jet aircraft and regional airline (19-30 seats) aircraft in the Southeast. We will advertise and promote charter in the Cleveland / Chattanooga MSA. Our dispatch and sales offices in Smyrna operate 24/7 and can provide timely quotes for charter flights to potential customers.

Growth Strategy - Develop Local Based Charter Aircraft: CFM's long term strategy to develop the charter market at the Cleveland Regional Jetport is to acquire management agreements for charter aircraft to be based at KRZR. Having the FBO at KRZR allows our charter operations to be more price and service competitive against out of town and national charter operations due to location, home fuel price advantage and maintenance support. We can offer charter / management clients discounted home base and on the road fuel pricing, based maintenance support at discounted pricing, as well as discounts on insurance and other services due to our fleet buying power. CFM has a dedicated management services team at our Smyrna location that serves our aircraft owners across the entire fleet. This team provides administrative, accounting, maintenance planning and forecasting, technical support, and scheduling /concierge services for owner trips. This team is a short 2 ½ hour drive from KRZR to meet in person with management clients that would base at

KRZR. We have successfully established charter bases in Middle TN at both of our FBO's as well as Danbury CT, and Manassas VA. We also have aircraft flying scheduled regional airline service based at several other locations in the US. We believe there is a good market opportunity in the East TN region for more charter aircraft. There are no significant local competitors with based charter aircraft in TN east of our location, North GA and the Western Carolinas.

V. Financial and Contractual Terms:

Proposed Airport Authority fuel flowage fee: CFM proposes that the airport charge a \$.06 per gallon flowage fee for all fuel sold or used on the airport. CFM would collect this fee as a pass through on all fuel sales by the FBO. CFM would report this fee monthly in arrears and pay on the 20th of the month following. This fee is typical of many airports across the country and offsets the airports costs of operations and specifically management of the fuel farm.

Proposed fuel per gallon fee to Airport Authority in lieu of rent on facilities: CFM believes fuel sales and hangar rentals are the primary drivers of profit for both the FBO and the airport. In order for our interests to be mutually aligned to grow the airport we propose the following payment by CFM to the airport based on incremental annual fuel flow. The payments would be made on a monthly basis in arrears as fuel sales surpass the annual 250,000-gallon base line. The annual fuel volume would reset each year based on the anniversary of the initial contracted start date.

Annual Fuel Volume	Incremental Fee per Gallon	Incremental Revenue	
0	250000	\$-0-	\$0.00
250000	350000	\$0.10	\$10,000.00
350000	450000	\$0.20	\$20,000.00
450000	600000	\$0.30	\$45,000.00
600000	750000	\$0.30	\$45,000.00
750001		\$0.00	\$0.00
Capped Fuel Flow Revenue per Year			\$120,000.00

Rental of Maintenance Hangar, Office and Shop Space: CFM would propose an initial annual rental rate of \$15,000 with an escalation each year for five years to get to a market rate of \$27,000 in year five, for the current 10,000 square foot maintenance hangar located adjacent to the terminal building. CFM would charge Montgomery Aviation ("MA") this rental rate with no markup and be responsible for collecting rent from MA. MA would be responsible for all utilities for the hangar and offices.

Proposed Maintenance Hangar Annual Lease Rate:	
Year 1	\$15,000.00
Year 2	\$18,000.00
Year 3	\$21,000.00
Year 4	\$24,000.00
Year 5	\$27,000.00

CFM Proposed Management of T-Hangars: In lieu of a direct subsidy, CFM would collect rent on the 40 T-Hangars for the initial period of 10 years. Collection of the rents would be offset by CFM through the above proposed "Variable Fuel Per Gallon Fee" over the period of the contract.

In our verbal presentation to the board we believe we can demonstrate the viability of this method for tying growth of fuel sales to the airports revenue for facilities and the FBO terminal building. In year one the airport will be better off financially than the current arrangement with greater potential for growth in the future.

Proposed Duration of Agreement: CFM proposes a 10 Year Agreement. At the end of the agreement CFM would be prepared to re-compete for additional terms. Should CFM make an investment in hangar facilities to support our operations we would expect similar terms for land lease as any other land lease being offered. Depending on any hangar investment made, CFM would engage with the airport authority at that time to potentially extend the agreement to manage the FBO operations as part of a longer-term investment in facilities.

Summary:

We believe our proposal represents our best offer based on our knowledge of the market, current conditions, and what is needed at Cleveland Regional Jetport. We are confident that we can provide exceptional service and value to the community, the airport and the customers who use the airport, both local and transient.

We have attempted to craft a solution that allows revenue to the airport to scale up as the business grows. We also believe this allows CFM the ability to provide exceptional service from day one while growing the business to a long-term sustainable level of revenue and profits.

David Augustin and I are committed to spending the time in the Cleveland community to develop the relationships at all levels and assist our FBO manager in growing the market.

The Cleveland Regional Jetport is an exciting opportunity for CFM to engage with a Tennessee community and take what you have built and deliver maximum value. Through a lifetime of working at airports and being very involved in the communities where we live, we understand the economic and social value of the airport. We have a proven positive track record of working with airport authorities, local chambers of commerce and development boards, and the based customer constituency to maximize the value of the airport. We have built markets from the ground up and understand the work it takes to make it happen. We have a long-term vision and do not compromise the vision for short-term gain.

We are a company comprised of a team of people who are deeply committed to running our business according to our core principle of making life better for our people, our customers and the communities we live in and serve. We do this by adhering to a set of core values that include: 1) Safety Above All; 2) Excellence is an Attitude; 3) Strength in Unity; 4) Think Like a Customer, and 5) Integrity is Never Conditional. Our core principle is why we do what we do, our core values are our how we go about it, and unique and outstanding aviation services is what we do every day.

We look forward to meeting with the airport board on the 12th to discuss and defend our proposal, and answer any questions.

Respectfully Submitted,

**Allen Howell
Executive Chairman**

Attachments to the Proposal:

- 1) Proposed FBO Manager Resume**
- 2) Information on Proposed Maintenance Provider –
Montgomery Aero**
- 3) Executed Letter of Compliance with the KRZR
Minimum Standards**
- 4) CFM's Part 135 Operating Certificate**
- 5) Wings of Eagles FAR 141 Certificate**

Nora Ann Cole
1242 Mecca Pike
Tellico Plains, TN 37385
423-519-3584
nora.ann.cole@gmail.com

CAREER SUMMARY -First Officer (King Air B200, Jetstream 4100, and Lear 35) for Corporate Flight Management, Smyrna, TN
-November 2012 - Present
-Adjunct Professor for Middle Tennessee State University Aerospace Department
-August 2012-December 2012
-FBO Customer Service Representative for Corporate Flight Management, Smyrna, TN
-May 2012 – November 2012
-Flight Instructor at Wings of Eagles School of Flight, Smyrna, TN
-June 2010 – November 2012
-Participated in local high school career days; Flew discovery flights for a local Boy Scout troop; Representative for Wings of Eagles at the Great Tennessee Air Show in Smyrna, TN

EDUCATION **Master of Science: Major in Aviation Administration: Concentration in Airline/Airport Management**
August 2011
Middle Tennessee State University, Murfreesboro, TN
GPA 3.862 on a 4.0 scale
-Graduate Assistant – Worked with other graduate assistants and Aerospace professors in creating the NASA FOCUS (Flight Operations Center – Unified Simulation) Lab

Bachelor of Science: Major in Aerospace Professional Pilot
December 2009
Middle Tennessee State University, Murfreesboro, TN
GPA 3.796 on a 4.0 scale
-Included flight labs for Instrument, Commercial, and Multi-engine ratings
-Worked in the Aerospace Department front office as a student worker

RATINGS AND -Airline Transport Pilot: Airplane Single and Multiengine Land, Commercial Pilot

CERTIFICATES

Privileges

- Certified Flight Instructor: Instrument Airplane – 12/2017
- Ratings and Endorsements: Complex, High Performance, Tail-wheel,
Lear Jet PIC, Jetstream 4100 SIC
- Advanced Ground Instructor
- First Class Medical – No Restrictions

FLIGHT TIME

As of May 2, 2016

- Total1816.7
- Pilot in Command....947.6
- Dual Given.....558.3
- Single Engine.....804.3
- Multi-engine.....1012.4
- Jet.....152.8

Summary for Montgomery Aero Enterprises

Synopsys:

Andreas Montgomery – personal history and experience

Montgomery Aero Enterprises work scope and personnel

Montgomery Aero Enterprises history

Montgomery Aero Enterprises future

Montgomery Aero Enterprises vision of Cleveland Operation

Andreas Montgomery

Andreas Montgomery was born into a family of aviation. The Montgomery legacy in aviation started as early as 1936 when Bremen Lafayette Montgomery (grandfather) joined the United States Army Air Corps and started primary training in Texas in which he flew a Ryan STA and moved to Fairchild primary training aircraft at Maulden Army Airfield in Missouri. This started a long romance for the Montgomery family that has been the lead for nearly 60,000 combined flight hours spanned over three generations.

Bremen Montgomery finished a career in military aviation in the 1960s having seen the advance of aviation from flying in open cockpit aircraft to supersonic jets and having remained in Training Command for several decades. Bremen Montgomery's legacy has inspired thousands of aviators including his son Stanley K. Montgomery who became a Major in the United States Airforce and now his grandson, Andreas Montgomery who is involved in maintenance and flight operations of personal and business aircraft.

Stanley K. Montgomery who has been flying since the mid 1960's has an aviation and flight career that shows great diversity. Stanley has an engineering degree from Embry Riddle Aeronautical University and was involved in the homebuilt movement of the late 1970's, having worked with the Rutan brothers on several projects, as well as having designed and produced successfully aircraft.

Stanley's career includes the following of his father's footsteps of a military career. This career included flying heavy lift and reconnaissance missions with over 15,000 hours of flight in military aircraft. His posts included 8 years living in Europe and assignments in the Far East and Middle East.

During Stanley's time in Europe he was stationed in Germany where he met the woman he would marry and is Andreas's mother. Marliese Montgomery (Stanley's wife) has a family who has been involved in much of Europe's aviation history.

Andreas Montgomery would follow closely to his family predecessors in aviation. Andreas spent his childhood with his head literally in the clouds! With most family road trips being taken in the sky in general aviation aircraft Andreas learned early on that he would find his path in life via aviation. Andreas would spend most of his childhood at small airports in East Tennessee and central Georgia forming a great respect for his soon to be aviation peers and mentors. This eventually led

to his Solo at age 16 and following with a Private pilots certificate and progressing forth with many ratings allowing him to fly commercially. Andreas' formal education included a short stint at a conservatory of music and proceeded forward with maintenance training and his acquiring multiple airman certificates.

Andreas currently holds all general fixed wing ratings less ATP and Flight Instructor ratings. Andreas has his Airframe and Power plant certificate and Inspection Authorization from the FAA. His maintenance experience includes piston and turbine aircraft specializing over the last couple years in Rockwell Commander aircraft. He has apprenticed under master craftsman and restoration expert Vaughn Armstrong at Swift Works Aviation in Dayton Tennessee for a three year period where he received extensive training in aluminum forming and sheet metal construction and repairs. It was here that he also received a great wealth in flight experience before taking a job in Florida that had international flight and maintenance responsibilities. During Andreas's time at Swift Works he ferried numerous vintage tail wheel aircraft that included Globe Swift (GC-1B) Beech 18/C45, PT-17 Stearman, Waco YMF-5, Grumman Ag-cat series aircraft and vintage military aircraft ranging from T34 Mentor, T-6 and T-28 A and B models aircraft. In addition to ferrying aircraft for Swift works Andreas built flight time towing gliders out of Chilhowie Glider Port in Benton Tennessee with nearly 1000 tow flights in Piper Pawnee, Cessna 180, and Rockwell Cal-Air CA-7. Following Andreas's time at Swift Works he was blessed with a job opportunity working for Donald Saunders out of St. Petersburg Florida. Saunders had a flight operation that had over a dozen aircraft at any given time, these aircraft ranged from a Piper Seneca to King 200 series. Andreas gained great flight experience and maintenance experience at this time. Saunders personal residence being in Beef Island, Tortola of the British Virgin Islands and flying in and out of many South American countries. Here Andreas learned about fleet diversity and field maintenance.

Andreas Chaired multiple positions with the Museum of Flight based in Rome Georgia including being on the board of directors for three years and having been the maintenance director. Montgomery resigned from his position with the organization in late 2014 so he could pursue starting Montgomery Aero Enterprises.

Andreas ended his time working for Saunders and other various contractors in southern latitudes in June of 2014. It was at this time he signed a hanger lease with Athens Air, LLC. for the maintenance hangar space in Athens Tennessee. Here Montgomery pooled his life savings and invested in Montgomery Aero Enterprises, LLC. in anticipation of growth and being able to provide maintenance support for local aviation and find a niche market in Twin Commander support.

Andreas' personal goals for the business is to be an asset to local aviation and to see the growth of the business for both the people he serves but also for the families and individuals that are employed and are supported by this business. Andreas works closely with his best friend and love of his life, Amy who provides

great support in the business with her shrewd management skills and experience working with government regulations and building employee teams.

Montgomery Aero Enterprises, LLC. - Profile

Work Scope and Personnel

Montgomery Aero Enterprises business Profile:

- Tennessee Limited Liability Corporation, single member entity
- McMinn County business license
- Operates under FAA Part 91
- Insured with 5,000,000 combined coverage for operations and product liability, Insured by Touchstone Aviation, underwritten by AIG.
- Staff – eight in house technicians and two contract pilots
- Primary business is aircraft maintenance and modification
- Auxiliary operations – piston twin and single management
- Auxiliary operations – piston twin and single sales and acquisition

Montgomery Aero Enterprises work scope and personnel summary

Montgomery Aero Enterprises, as is typical to a small growing company, has had to diversify in their services and provide a large scope of work to be able to grow and meet the needs of their clients. This has resulted in a unique blend of the people that have come to work at Montgomery Aero.

Montgomery Aero has drawn heavily from the pool of veterans entering the work field. In the last 18 months 7 individuals that are either past military or current military have been employed. We feel these individuals have contributed greatly in our society and offer a great deal due to their training and experience gained while in the military.

Currently Montgomery Aero employs two I/A's, two A/P's, two apprentices, once FCC certified technician and one technician specializing in coatings and refinishing. These individuals perform the rolls of administration, sales, and cover all the facets of maintenance at Montgomery Aero Enterprises. In addition to the above listed individuals, Montgomery Aero contracts with two pilots that have a combined flight history of over 13,000 flight hours and multiple type ratings. These pilots provide services for the Aircraft that are managed by Montgomery Aero and also aid in the ferry process of a new aircraft acquisition. Montgomery Aero Enterprises immediate contribution to area airports specific to Athens Tennessee and Madisonville Tennessee can be measured in fuel, with monthly fuel purchases in excess of 4000 gallons of 100 LL. This is a result of flight testing and demonstration of aircraft and their capability following modification or retrofit and in new aircraft owners receiving flight training. Our FAA Part 91 operations contribute to fuel sales as well.

Montgomery Aero Enterprises has been conducting installations of avionics and participating in the movement of the 2020 ADS-B mandate. With installations ranging from Garmin GPS navigation systems, to small remote systems for high performance aerobatic aircraft. A key focus in our avionics installation has been

in the engine monitoring area. This is due to Montgomery Aero completing retrofits of aircraft where new power plants and instrument panels are installed. Montgomery Aero is anticipating approval of FAR Part 145 repair station certification. This will allow us to apply for dealerships from several of the major manufacturers of avionics. This will allow us to broaden our scope of work in order to provide more service in the area of avionics installations and repair. Montgomery Aero Enterprises has been fortunate to partner with a Cleveland based business (Electro Mechanical Technologies) for the prototyping of products that in turn have been marketed and produced by Aircenter Inc. These products include components for aircraft Air Conditionings systems that are now part of multiple STC's and approved by the FAA for use on certified aircraft. Electro Mechanical Technologies also provides all machine work when producing new flat instrument panel retrofits. This company has been a great marriage in technology and machinery. By using modern design Software, Montgomery Aero is able to design an instrument panel that is in turn water-jet cut at Electro Mechanical Technologies. This cuts down on production time of the panels and saves Montgomery Aero money by not having to purchase costly equipment. Electro Mechanical Technologies has completed contracts with other aviation vendors including Parker Hannifin and Rapco Industries, as well as several military projects for transport aircraft.

With the partnership of Aircenter, Inc., Montgomery Aero Enterprises provides the installation of Standalone vapor cycle systems. This air conditioning system does not use bleed air or an engine driven compressor system for the gas. It uses an electrically driven compressor that is usually mounted in the aft of the aircraft. These systems are installed in aircraft ranging from single engine Cessna's to turboprop twins. In addition to the installation of new systems, Montgomery Aero has trained technicians that can service existing systems from Cessna, Piper, Beech and third party vendors such as Kelly Aerospace and Keith Air-works. This type of Work provides approximately 40 percent of the business that comes through the door at Montgomery Aero Enterprises in Athens Tennessee.

Montgomery is expanding their work detail by being able to complete aircraft upholstery in most types of aircraft. The materials used are in compliance with Part 23 and allow for our clients to "one stop shop". This is also coupled with our services of aircraft interior and exterior detailing. This extends our services to meet most needs of our clients even after we have retrofitted their aircraft.

Montgomery Aero Enterprises Chronology

1. May 2014 – Montgomery Aero Enterprises was conceived
2. August 2014 – Montgomery Aero Enterprises was formed and moved into the new maintenance hangar located at the Athens McMinn county airport. Montgomery Aero was the first and only tenant at this location that boasts a 100' X 125' hangar with 500' X 500' tarmac that has a ramp weight that will support up to a DC-9.

3. December 2014 – Montgomery Aero Enterprises sees small growth and hires first employee
4. January 2015 – Montgomery Aero Enterprises partners with Aircenter Inc. and becomes an official installation and service center for aircraft air-conditioning systems and retrofits. This partnership also sees the growth of Aero Commander business and installation of various STC's
5. March 2015 – Montgomery Aero Enterprises starts retrofitting complete aircraft with a focus on Aero Commander 500 series aircraft and 685P series pressurized aircraft.
6. April 2015 – Montgomery Aero Enterprises starts installation of small avionics packages and ADS-B compliance and providing transponder certifications through a third party FAA Part 145 operation.
7. June 2015 – Montgomery Aero Enterprises hires a 35 year aviation maintenance professional to streamline the maintenance operation in Athens Tennessee and to grow the maintenance clientele. In addition this leader furthers FAA Conformity and starts the process for an application of a FAA Part 145 certificate.
8. August 2015 – Montgomery Aero Enterprises starts overhauling four and six cylinder piston engines. This leads to the building of high performance engines for experimental and aerobatic aircraft. In addition Montgomery Aero became a service partner for DIVCO and Quality Aircraft Accessories.
9. August 2015 – Montgomery Aero Enterprises co-purchases, with Blue Oar aviation, Masters Aviation in Collegedale Tennessee. This acquisition provides an additional 80' X 80' facility for storing aircraft and an extension of the Athens Tennessee operation for clients in the Chattanooga Tennessee area.
10. August 2015 – Montgomery Aero Enterprises starts providing support for fabric covered aircraft and restoration of several small vintage and aerobatic aircraft.
11. September 2015 – Montgomery Aero Enterprises starts the process of opening an FAA Part 145 operation. This leads to the submission of a PASI to the Nashville FSDO.
12. November 2015 – Montgomery Aero Enterprises starts providing maintenance management for a number of small corporate aircraft and private aircraft. This is the start of general aircraft management of Montgomery Aero. This includes Part 91 dry lease of Cessna 421 aircraft and Aero Commander 685P.

13. January 2016 – Montgomery Aero Enterprises starts providing services for aircraft sales and acquisitions. This includes a mobile platform that is used for field pre-purchase inspections and AOG service.
14. February 2016 – Montgomery Aero Enterprises add aircraft interior and upholstery to their list of services offered in house. This is a great time saver and adds to the streamlining of the retrofits of Aero Commanders and other aircraft.
15. March 2016 – Montgomery Aero Enterprises starts consideration of a new operation at the Cleveland regional jetport.

Montgomery Aero Enterprises Growth and Vision

Montgomery Aero Enterprises has many goals and visions and are looking into the possibilities of adding additional revenue streams by different services in aviation. This is made possible for us by the hiring of key individuals with certifications and skills that allow us to add to our scope of maintenance.

The following are key notes as to what Montgomery Aero Enterprises will be growing into in the near future and are currently staging for in their existing operation.

- Completion of FAA Part 145 certification and repair station authorization. Will be adding multiple classes including but not limited to Power plants and accessory.
- Cessna Service Center and Sales agreement
- Beechcraft service center and sales agreement
- Garmin and Bendix/King dealership and installation
- Build new facility with EPA compliance for painting and refinishing aircraft. Will be large enough for most small corporate jets and turboprop twins.
- Class 1,2 and 3 aircraft avionics installation and avionics repair station.
- Piston engine and overhaul facility
- Class 3 NDT and Inspection; this will include Eddy Current, Magnetic particle inspection and Dye Penetrant.
- Production of new sheetmetal products for Aero Commander aircraft and support. This would result in a PMA for the products
- Independent sales office for aircraft sales and acquisition – Purchase consultation

Montgomery Aero Enterprises Vision for a Cleveland Operation

Montgomery Aero Enterprises sees the Cleveland Regional Jet Port as a key to the growth of our business. KRZR has been progressive in attracting corporate and general aviation, which is exactly what we are looking for. Montgomery Aero feels that Cleveland may be the perfect outlet for our existing services and attracting new business. It is also possible that all operations could be moved to

KRZR in time if the proper facility could be built and the cost of operation suites our company.

We believe that for Montgomery Aero to move to the next level in business it is critical that we have a partnership or active business relationship with an FBO in this area. This would be ideal in Cleveland if we could work with the FBO and improve our company image with a new facility moving in to the area and work directly with new clients.

Montgomery Aero Enterprises initial vision is to provide basic maintenance at KRZR utilizing the space of the maintenance facility for Annual and 100 hour inspections, ramp support, AOG services and Part 91 maintenance management. As time goes forward Montgomery Aero Enterprises will conduct continued evaluations of the business on the field to possibly move the avionics operation to KRZR and utilize the airport and the FBO for an aircraft sales office. Montgomery Aero Enterprises aims at providing maintenance support at a discounted rate for the flight school that will be based at KRZR. This is guaranteed business for our company and we plan on providing support seven days a week with extended hours on select days. In addition to extended hours, Montgomery Aero will provide on call AOG service as is the practice at our Athens Tennessee area. This will ensure that regardless the operation at KRZR there will be maintenance support to keep planes flying and businesses making money.

KRZR has granted more land leases for new hanger construction than any other airport in the area. This raises the interest level of Montgomery Aero Enterprises to move future expansion of the business to Cleveland. This has been discussed in our business and we can see ourselves possibly constructing a facility for painting and refinishing of aircraft in Cleveland.

In conclusion Montgomery Aero Enterprises is eagerly looking to work with the Cleveland airport authority and be part of the growth of the airport. We believe that this airport is about to see a major expansion in all fields of aviation and we want to be part of this, and contribute to the local aviation community as well as transient traffic.

CLEVELAND, TN
REGIONAL JETPORT



251 Dry Valley Road NE, Cleveland TN 37312

(423) 472-4343

Tennessee's "Airport of the Year: 2014"

Mr. Allen Howell
President
Corporate Flight Management, Inc.
276 Doug Warpoole Road
Smyrna, TN 37167

22 April 2016

RE: FBO Service Provider Minimum Standards Compliance at the Cleveland Regional Jetport

Dear Mr. Howell,

Pursuant to the terms established by the Cleveland Municipal Airport Authority, please verify by signature below as a duly authorized representative of Corporate Flight Management, Inc. that you are in receipt of and will ensure compliance with the Cleveland Regional Jetport Minimum Standards, as amended February 26, 2016

A handwritten signature in cursive script that reads "Allen Howell". The signature is written in black ink and is positioned above a horizontal line.

Allen Howell
President
Corporate Flight Management, Inc.

ENCLOSURE 3
- AIR OPERATORS CERTIFICATE



US Department
of Transportation
Federal Aviation
Administration

Air Carrier Certificate

This certifies that

CORPORATE FLIGHT MANAGEMENT, INC.
276 DOUG WARPOOLE ROAD
SMYRNA, TN 37167

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended, or revoked, shall continue in effect indefinitely.

By Direction of the Administrator

A handwritten signature in cursive script that reads "Walter H. Bevan".

WALTER H. BEVAN
(Signature)

MANAGER
(Title)

CE-ESDO-19, NASHVILLE, TN
(Region/Office)

Certificate number: FITA920D

Effective Date: MARCH 26, 1984

Issued at: CE-ESDO-19 NASHVILLE

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

Air Agency Certificate

Number 1WES297L

This certificate is issued to

WINGS OF EAGLES, LLC

whose business address is

**276 DOUG WARPOOL RD
SMYRNA, TN 37167**

upon finding that its organization complies in all respects with the requirements of the Federal Aviation Regulations relating to the establishment of an Air Agency, and is empowered to operate an approved **PROVISIONAL PILOT SCHOOL**

with the following ratings:

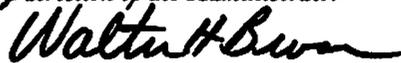
**PRIVATE PILOT COURSE
COMMERCIAL PILOT COURSE
INSTRUMENT RATING COURSE
ADDITIONAL AIRCRAFT CATEGORY OR CLASS RATING COURSE**

This certificate, unless canceled, suspended, or revoked, shall continue in effect **UNTIL 09/30/2017**

Date issued:

09/01/2015

By direction of the Administrator



**WALTER H. BEVAN
MANAGER, ACE-FSDO-19**

This Certificate is not Transferable, AND ANY MAJOR CHANGE IN THE BASIC FACILITIES, OR IN THE LOCATION THEREOF, SHALL BE IMMEDIATELY REPORTED TO THE APPROPRIATE REGIONAL OFFICE OF THE FEDERAL AVIATION ADMINISTRATION

Any alteration of this certificate is punishable by a fine of not exceeding \$1,000, or imprisonment not exceeding 3 years, or both