

August 6, 2018

Mr. Peter Eichleay  
FlightLevel Norwood, LLC  
125 Access Road  
Norwood, MA 02062

Dear Mr. Eichleay:

In response to our meetings in June and July of 2018 and prior correspondences, JMH Associates, LLC is pleased to present a letter of reference for FlightLevel Norwood, LLC (FL) as summarized below. It is our understanding that this document will become a part of the public record and that no specific dollar amounts associated with FL's financial standing and performance are to be stated herein.

In particular, we have examined the following items per the Norwood Airport Commission's (NAC) letter to you dated April 2, 2018:

1. Three years' worth of Profit and Loss Business statements 2015, 2016 and 2017
2. A balance sheet from 12/31/2017 and 6/30/2018
3. An income statement for 2017 and 6/30/2018 Year-to-date
4. Cash flow statements for 2017 and 6/30/2018 Year-to-date
5. Bank statements from 2017 and 2018

In general, JMH has found FlightLevel to be an excellent credit risk, financially stable and on an upward trajectory as far as profitability and cash on hand are concerned. After reviewing the above statements and records, we found no major issues that would cause any financial concern whatsoever from the perspective of a vendor, landlord or creditor in the immediate time horizon. This opinion is based on management's representations and presentation of their financial information.

Specifically, JMH can represent to the NAC the following based on our analysis:

1. FL's profit margins are healthy, in the double digits and have increased year-over-year since 2015.
2. FL is on pace to having its most profitable year through 6 months of 2018 in relation to the other years provided.
3. FL has minimal long-term debt (> 3 year amortization period) and no short-term debt (1 - 3 year amortization period).
4. FL's cash on hand is in the six figures and their cash reserves never dropped below six figures in the 18-months' January 2017 – June 2018.

5. Over the past year, FL has had positive cash flow every month including the slow January – March winter months.

From an operational perspective based on a cursory investigation of FL and FL managements' affiliate companies, JMH believes FL to be a competent FBO. To our knowledge no serious problems concerning customer satisfaction, landlord disputes, regulatory issues or other management concerns exist. FL is currently a party to litigation involving one or more Norwood Airport based businesses. This is the only lawsuit FL has been involved with in its more than 10-year operational history. Just recently, FlightLevel was selected by the Rhode Island Airport Corporation to establish Fixed Base Operations at four general aviation airports in Rhode Island through a highly competitive RFP bid package that included several other qualified candidates. We think this speaks to the high quality of competence and leadership among the FL management team.

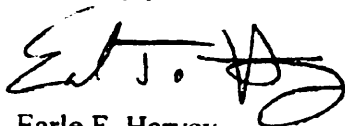
**JMH finds FlightLevel Norwood, LLC to be, as of June 30, 2018, financially healthy with sufficient cash flow and capital to continue operations. This is based on financial documents provided by FL management.**

**It should be noted that this review was not an audit of FL's finances or accounting procedures, but a general review of their internal financial documents and statements as presented to us. JMH Associates, LLC does not make any representations regarding the company's confidential tax returns or other private information as none of this information was used for this letter. JMH Associates, LLC is also assuming the internal financial documents presented to us for review are accurate and reflect the true financial condition of FlightLevel Norwood, LLC. JMH Associates, LLC did not perform any actual audit work to verify the internal statements and does not assume any risk for their misrepresentations, if any exists.**

JMH Associates is a financial management and consulting firm based in Cumberland County, Maine. We work with a variety of clients assisting them with financial matters, business development and other management consulting work. We have experience serving clients in General Aviation including FBOs, airports and aviation lobby groups.

Thank you for this opportunity and please contact me if you have any questions.

Sincerely yours,



Earle F. Harvey  
JMH Associates, LLC  
207-557-2224

CC: FL Internal File



# The TOWN OF NORWOOD

Commonwealth of Massachusetts

## *Norwood Memorial Airport*

Russ Maguire, A.A.E., ACE, Airport Manager

OFFICE ADDRESS

125 Access Road  
Norwood, MA 02062

MAILING ADDRESS

125 Access Road  
Norwood, MA 02062

### **BY E-MAIL**

April 2, 2018

*FlightLevel Norwood, LLC*

Attn: Peter Eichleay, President, Secretary, CEO and Manager  
125 Access Road  
Norwood, MA 02062

### **RE: Re-Financing, Membership Interest Changes**

Dear Peter:

On March 23, 2018, the Norwood Airport Commission (NAC) and my office were notified that *FlightLevel Norwood, LLC (Flight Level)* had re-financed its corporate debt, which became effective on January 1, 2017. This, in turn, resulted in membership interest changes as described by your company's General Counsel, Nick Burlingham, in *Attachment A*; and these were not reflected in *Flight Levels'* FY 2018 commercial permit application.

The NAC is now requiring that your company update its financial information as part of its current FBO permit. Specifically, the NAC is requiring that the following be submitted:

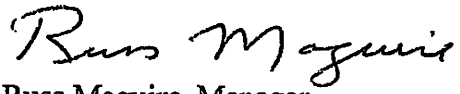
1. Three months' worth of business statements
2. A balance sheet
3. An income statement
4. Cash flow statements, cash on hand and financial reserves

If *Flight Level* would prefer to keep this information confidential, to be reviewed by a third party, your company will need to finance said review. However, *Flight Level* and the NAC must agree beforehand on the third party which will conduct the review.

Please advise at your earliest convenience.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Russ Maguire". The signature is written in black ink and is positioned above the printed name and title.

Russ Maguire, Manager  
Norwood Memorial Airport

*Cc: Norwood Airport Commission*

# **ATTACHMENT A**





**FLIGHTLEVEL  
AVIATION**

Phone: 781.769.8680  
Fax: 781.769.7159 or 781.769.0476  
[www.flightlevelaviation.com](http://www.flightlevelaviation.com)

VIA ELECTRONIC AND PRIORITY OVERNIGHT MAIL

March 13, 2018

Norwood Airport Commission  
c/o Russ Maguire, Airport Manager  
125 Access Road  
Norwood, MA 02062

Re: FlightLevel Norwood, LLC - Corrected 2018 Commercial Permit Application - Membership Interest & Services

Dear Sirs,

On December 31, 2016, FlightLevel Norwood, LLC concluded a re-financing of its corporate debt. As a result, the entities that previously held 10% or more of the membership interest in FlightLevel Norwood, LLC became financiers, and their membership interests were transferred to newly-formed limited liability companies who became obligors on the notes. Consequently, effective January 1, 2017 at 12:01 am, and as of today

ARR Aviation, LLC, a Massachusetts limited liability company, with a place of business at 12 Black Rock Drive, Hingham, MA 02043 ("ARR"), holds 99% of the membership interest of FlightLevel Norwood, LLC.

ARR Aviation II, LLC, a Massachusetts limited liability company, with a place of business at 12 Black Rock Drive, Hingham, MA 02043 ("ARRII") holds the remaining 1% of the membership interest in FlightLevel Norwood, LLC.

The principal and sole member of each LLC (ARR and ARRII), is Alan R. Radlo, also of 12 Black Rock Drive, Hingham, MA 02043.


Peter Eichleay remains President, Secretary, CEO and Manager of FlightLevel Norwood, LLC.

FlightLevel Norwood, LLC's airport agreements were unaffected by the re-financing and membership interest transfers, and as such, prior NAC consent was not required. However, on its 2018 Commercial Permit Application, FlightLevel inadvertently omitted the status change. Mr. Maguire promptly brought this to my attention, and requested this written explanation and supplement. Regrettably, the delay between then and now has been my fault, for which I apologize.

In any event, on behalf of FlightLevel Norwood, LLC, I respectfully request that FlightLevel's 2018 Commercial Permit Application be supplemented and/or amended to reflect the foregoing changes in accordance with the attached substitute document.

As always, if you have any questions or concerns, please don't hesitate to ask.

Respectfully submitted,

  
Nick Burlingham  
General Counsel  
860-941-112

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125 ACCESS ROAD  
NORWOOD MEMORIAL AIRPORT  
NORWOOD, MA 02062  
781.769.8680 FAX 781.769.0476 OR 781.769.7159



## Norwood Memorial Airport

### FY 2018 Commercial Permit Application

The Norwood Airport Commission (NAC) issues permits for aeronautical operations under six categories, depending on the type of services offered. The applicant must identify each service within a category for which a permit is requested. The permit will identify specific services allowed. A full-service, fixed-base operator's (FBO) permit will be issued only to those companies that offer to supply the full spectrum of services as defined in the Norwood Airport General Regulations.

#### Check (✓) the applicable categories:

- I. **Full-service, fixed-base operator** (✓)
- II. **Flight Operations, including:** [Office space area \_\_\_\_ Sq. Ft.]  
( ) Passenger charter (FAR Part 135)  
( ) Freight charter
- III. **Flight Operations, including:** [Office space area \_\_\_\_ Sq. Ft.]  
( ) Flight instruction  
( ) Aircraft rental  
( ) Sightseeing flights  
( ) Aircraft sales or exchange
- IV. **Ground Operations, including:** [Office space area \_\_\_\_ Sq. Ft.]  
(✓) Hangar space rental [Hangar space area \_\_\_\_ Sq. Ft.]  
(✓) Aircraft and avionics maintenance  
(✓) Line services  
(✓) Aircraft cleaning
- V. **Fuel Storage and Dispensing** [Office space area \_\_\_\_ Sq. Ft.]
- VI. **Unique Services, including:** [Office space area \_\_\_\_ Sq. Ft.]  
( ) Aerial photography  
( ) Aerial advertising  
( ) Aerial survey  
(✓) Other services Restaurant & Avis/Budget car rental

Company Name:

Address:

Flightlevel Norwood, LLC

0125 Access Rd, Norwood, MA 02062

Check One:	Corporation	Partnership	Proprietorship	Other
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Company Telephone:

781-769-8680

Company E-Mail Address:

custserv@flightlevelaviation.com

Company Officers:

Peter Eichleay

Mike Delaria

Ack Burlingham

Name/Address of each person holding more than 10% interest in this company:

ARR Aviation LLC  
12 Black Rock Drive  
Hingham, MA 02043  
Aian R. Radlo, Manager

Parent Company (if any):

\_\_\_\_\_

List days and hours of operations: Days 7 Hours: 6 AM - 8 PM

Type and number of equipment:

Fixed wing, single-engine: \_\_\_\_\_

Rotary wing: \_\_\_\_\_

Fixed wing, twin: \_\_\_\_\_

Other: \_\_\_\_\_

Hangar and/or tie-down spaces:

\_\_\_\_\_ Hangar(s) Where? \_\_\_\_\_

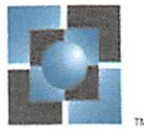
\_\_\_\_\_ Space(s) Where? \_\_\_\_\_

Will you have spaces available to rent to others? ( ☒ ) Yes ( ) No ( ) N/A

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*All applicants must comply with the Norwood Airport General Regulations/Minimum Standards, and show evidence of the appropriate FAA licenses and certificates required to provide services. An insurance policy, identifying the Town of Norwood, the Norwood Airport Commission, the Airport Manager and Assistant Manager as additionally insured should accompany the application. No commercial operations are allowed without authorization from the NAC. All operators are required to renew the permit by July 1<sup>st</sup> of each year. The \$30 permit fee must accompany the application.*





Aviation Management Consulting Group

September 29, 2015

Mr. Eric H. Loeffler  
Hinshaw & Culbertson LLP  
28 State Street, 24<sup>th</sup> Floor  
Boston, MA 02109

Mr. Brandon H. Moss  
Murphy, Hesse, Toomey & Lehane, LLP  
300 Crown Colony Drive, Suite 410  
Quincy, MA 02169

Dear Messrs. Loeffler and Moss:

Based upon the correspondence received from your law firms on behalf of your clients, Boston Executive Helicopters, LLC (BEH) and the Norwood Airport Commission (NAC), Aviation Management Consulting Group, Inc. (AMCG) has conducted a third-party, independent review of BEH's financial statements and related records to determine compliance with NAC's Rules and Regulations and Minimum Standards for a full service fixed-base operator (FBO) at the Norwood Memorial Airport (Airport).

The BEH financial statements and related records reviewed by AMCG included: 1) monthly and current business bank statements for 2015, 2) 2013, 2014, and YTD 2015 balance sheets, 3) 2013, 2014, and YTD 2015 income statements, 4) 2013, 2014, and YTD 2015 cash flow statements, 5) Five Year FBO Business Plan (dated July 9<sup>th</sup> 2014), and a 6) Dun & Bradstreet (D&B) Credit Report.

It is important to note that:

1. AMCG has not evaluated the Airport's Rules and Regulations, Minimum Standards, NAC's requests of BEH, or BEH's application to operate as an FBO or provided any opinions regarding reasonableness and/or appropriateness.
2. AMCG has not conducted a field visit (i.e., AMCG has not visited the Airport or BEH's existing operations at the Airport).
3. NAC and BEH (or the members, management, or owners of same) have not been past clients of AMCG.

### ***NAC Rules and Regulations***

A summary (not all inclusive) of the NAC's Rules and Regulations, dated September 10, 2008 (as applicable to the BEH application to operate as an FBO) follows:

1. The NAC seeks "to ensure that the public receives responsible, safe, and adequate service from those businesses conducting permitted activities at the Norwood Memorial Airport; seek to ensure that all airport users and commercial operators are treated fairly; and seek to ensure that all operations are conducted in conformity with all state and federal regulations."<sup>1</sup>
2. An FBO is defined as "an Airport-based organization that, permitted yearly and under a lease agreement with the Norwood Airport Commission, provides aircraft fueling services while engaging in a minimum of one of the primary service areas that include: *Location-based services* (line services/ground handling; crew and passenger services; facilities (aircraft tie-downs, hangars, offices)); *Technical services* (aircraft maintenance and parts; paint and interiors); *Flight services* (charter and aircraft maintenance); *Aircraft sales*."<sup>2</sup> This definition is consistent with the definition found in the NAC's Minimum Standards<sup>3</sup>.
3. Minimum standards are defined as "those qualifications established by the Norwood Airport Commission, from time to time, as the minimum requirements to be met as a condition of the annual commercial permitting process for the right to conduct an aeronautical activity on the Airport."<sup>4</sup> This definition is consistent with the definition found in the NAC's Minimum Standards.<sup>5</sup>
4. A summary (not all inclusive) of the rules and regulations for entities that wish to engage in Commercial Aeronautical Operations (as applicable to the BEH application to operate as an FBO) follows:
  - a. Entity using the Airport as an FBO must first obtain permit and lease from the Commission.<sup>6</sup>
  - b. Commercial permit applicants must meet the established minimum standards (or receive an exemption from the Commission).<sup>7</sup>
  - c. Entity must be in conformance with all applicable regulations and requirements.<sup>8</sup>

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<sup>1</sup> Airport Rules and Regulations, Forward, page 3

<sup>2</sup> Airport Rules and Regulations, Section – Definitions and Abbreviations, page 8

<sup>3</sup> Airport Minimum Standards, Section – III. Definitions, page 31

<sup>4</sup> Airport Rules and Regulations, Section – Definitions and Abbreviations, page 9

<sup>5</sup> Airport Minimum Standards, Section – III. Definitions, page 31

<sup>6</sup> Airport Rules and Regulations Section – III.A. Commercial Aeronautical Operations, page 12

<sup>7</sup> Airport Rules and Regulations, Section – III.B. Commercial Aeronautical Operations, page 12

- d. Entity must demonstrate financial stability, credit ratings, and currency with respect to payment of all taxes, fees, and other agreed charges.<sup>9</sup>
- e. Entity must demonstrate, where applicable, an initial investment in buildings, equipment, furniture, fixtures, tools and other assets pertaining to the operation on or at the Airport.<sup>10</sup>

***NAC Minimum Standards***

A summary of the NAC's Minimum Standards, Attachment A to the Rules and Regulations, (as applicable to the BEH application to operate as an FBO) follows:

1. The documents requested of an applicant consists of:<sup>11</sup>
  - a. Current financial statement
  - b. Proof of minimum of three month's operating expenses
  - c. Two-year business plan for the proposed operation
  - d. Previous history of payment
  - e. Three credit references
  - f. Tax identification number
  - g. Tax re-sale number
  - h. Copies of any and all pertinent certificates and licenses, relative to the proposed operation
2. The minimum standard requirements for entities "engaged in the storage and/or dispensing of fuel" are as follows:<sup>12</sup>
  - a. A heated waiting room for passengers and crew of transient aircraft, comprising at least 200 square feet, with access within the building to rest rooms and a public telephone. This area is to be located within walking distance of aircraft, on, or adjacent to the Airport, or on Access Road between the north and south ends of the Airport boundary.
  - b. A listed telephone, under the company name, and attending during operating hours.

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<sup>8</sup> Airport Rules and Regulations, Section – V.A. General Requirements – Commercial Operations, page 13

<sup>9</sup> Airport Rules and Regulations, Section – V.B. General Requirements – Commercial Operations, page 13

<sup>10</sup> Airport Rules and Regulations, Section – V.C. General Requirements – Commercial Operations, page 13

<sup>11</sup> Airport Minimum Standards, Section – V. Additional Requirements – Initial Application, page 32

<sup>12</sup> Airport Minimum Standards, Section – VI.E. Fuel Storage and Dispensing, page 35

- c. Liability insurance of at least \$5,000,000, naming the Town of Norwood, Norwood Airport Commission, and Norwood Airport Management as additionally insured.
- d. Approved storage tanks, located on the Airport, with a minimum capacity of 10,000 gallons of Jet A and 10,000 gallons of 100 low lead fuel.
- e. Proper space to service the types of aircraft using the Airport.
- f. Fixed and mobile, metered pumping equipment capable of re-fueling the largest aircraft likely to be fueled at the Airport.
- g. Approved grounding cables and fuel nozzles to eliminate static electricity hazards.
- h. Auxiliary equipment including at least one pre-heater, one battery cart, one compressed air dispenser, and other equipment that may be required to serve aircraft using the Airport.
- i. Fueling services by uniformed personnel seven days a week, at least from 7 a.m. to 7 p.m.
- j. A formal training program, approved by both the Fire Department and the Airport Manager, for line personnel engaged in aircraft fueling.
- k. A formal and documented procedure for the maintenance and inspection of the fueling facility and a commitment to keep the fueling area clean and free of snow, debris and hazardous conditions.

***AMCG's Third-Party, Independent Review***

AMCG's third-party, independent findings associated with the firm's review of BEH financial statements and related records (as identified herein) follow:

***Financial Requirement #1: Entity must demonstrate financial stability, credit ratings, and currency with respect to payment of all taxes, fees, and other agreed charges.***

- 1. Determination of the financial stability of a company is based on a combination of operating performance, assets, liabilities, and invested equity (and debt). Based on the financial statements and related records reviewed by AMCG and conversations with BEH representatives, it is the opinion of AMCG that BEH has the financial stability to operate as an FBO at the Airport.
  - a. BEH has substantial current and fixed assets (estimated at approximately \$7,600,000).

- b. The only long-term debt of BEH is that held by the owner of the company. BEH's current liabilities are nominal and only associated with monthly credit card expenditures and payroll taxes.
    - c. Combined, BEH's owner has invested (in both equity and debt) approximately \$4,000,000 in BEH.
    - d. While BEH currently has an operating loss, based on conversations with BEH representatives, these losses are attributed to the non-revenue generating activities of the company associated with 1) maintaining and preparing helicopters for transfer to the company's sister company in Tel Aviv, Israel, 2) transportation of the owner of the company utilizing company aircraft while in the Boston area, and operation and maintenance of airport improvements that are intended for use as the proposed FBO.
2. Based on the D&B Credit Report and the financial statements and related records reviewed by AMCG, it is the opinion of AMCG that BEH has the credit ratings and maintains the currency (with respect to payment of all taxes, fees, and other agreed charges) to operate as an FBO at the Airport.
  - a. D&B considers BEH a low risk for late payments.
  - b. The D&B Credit Report states that BEH has not had any bankruptcies, judgments, liens, suits, negative payment experiences, or payments placed for collection.
  - c. The BEH Balance Sheet does not show any accounts payables.

***Financial Requirement #2: Entity must demonstrate, where applicable, an initial investment in buildings, equipment, furniture, fixtures, tools and other assets pertaining to the operation on or at the Airport.***

1. Based on the financial statements and related records reviewed by AMCG, it is the opinion of AMCG that BEH has made a sizeable investment in buildings, vehicles, equipment, furniture, fixtures, tools and other assets for operating an FBO at the Airport.
  - a. BEH has invested approximately \$7,000,000 in improvements (hangar, office, and shop), aircraft (fixed wing and helicopter), vehicles and equipment, and office furniture and equipment.

***Financial Requirement #3: Entity must provide current financial statements.***

1. BEH provided financial statements (balance sheets, income statements, and cash flow statements) for the periods ending December 31, 2013, December 31, 2014, and June 30, 2015 to AMCG.

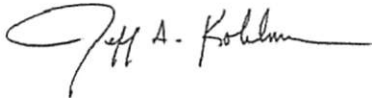
Mr. Eric H. Loeffler  
Mr. Brandon H. Moss  
September 29, 2015  
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*Financial Requirement #4: Entity must provide proof of minimum of three month's operating expenses.*

1. Based on the financial statements and related records and the FBO business plan provided to (and reviewed by) AMCG, it is the opinion of AMCG that BEH has demonstrated the available financial resources for funding three months of operating expenses for operating an FBO at the Airport.
  - a. BEH's existing (normalized operating) expenses are approximately \$65,000 (every three months). Attorney and consultant expenses associated with the FBO application were removed to estimate normalized operating expenses.
  - b. BEH's proposed operating expenses for the FBO are approximately \$125,000 (every three months).
  - c. BEH currently has over \$600,000 of funds available to cover the future operating expenses of an FBO.

AMCG appreciates this opportunity to conduct this third-party, independent review of BEH's financial statements and related records on behalf of the NAC and BEH. If you have any questions regarding our findings, please feel free to contact Jeff Kohlman at (303) 792-5203 or [jkohlman@aviationmanagement.com](mailto:jkohlman@aviationmanagement.com).

Respectfully,



Jeff A. Kohlman  
Principal and COO  
Aviation Management Consulting Group, Inc.