

# COMMANDER PREMIER AIRCRAFT CORPORATION

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## **Commander Premier Aircraft Corporation To Leave Oklahoma City By Month End**

**September 8, 2005, Farmington, CT.** Commander Premier Aircraft Corporation (CPAC) announced today that it will leave the Oklahoma City area by the end of September and establish new operations to produce Commander aircraft and support the existing, world-wide Commander fleet at a new, undisclosed location. CPAC acquired all of the assets of defunct Commander Aircraft Company (CAC) from its chapter 7 bankruptcy trustee at the end of June but the assets did not include the right to remain at CAC's production facility at Wiley Post Airport.

"We are very disappointed that we could not secure a production location at any airport in the Oklahoma City area," said Joel M. Hartstone, CPAC's President and CEO. "Finding a new facility in Oklahoma City has been one of our highest priorities since the acquisition. This is where the folks who know how to build Commanders live and the Bethany FAA Manufacturing and Inspection District Office (MIDO) has regulated the production of Commander aircraft since the aircraft was first produced. We are frustrated and very sad that we must now abandon them and establish operations elsewhere," Hartstone said.

When asked about possible locations in the area, Hartstone pointed out that "there are two perfect facilities in Oklahoma City, and both are presently empty and unused. We have been trying for two months to secure one of these sites but the parties in control of these facilities have chosen to let them remain empty rather than lease them to CPAC. That's why we are forced to leave the area and establish our new operations somewhere else."

The two sites CPAC referred to are the Gulfstream facility at Wiley Post Airport and Downtown Airpark. The Gulfstream facility consists of approximately 400,000 feet of space at the south end of Wiley Post Airport. While the space has been empty for years, Gulfstream's lease from the Airport Trust has approximately two more years to run. The Gulfstream facility is just down the runway from the former CAC facility at Wiley Post and a move into that facility would facilitate a quick ramp up of operations for CPAC. CPAC tried to sublease approximately 100,000 feet of that facility, but Gulfstream has refused to sublease any portion of the facility to CPAC. Instead, Gulfstream offered to surrender the lease to the Airport Trust and pay off the related bond issue. However, as a condition to the unwind, Gulfstream has insisted that Oklahoma City indemnify it against any liability it might have for pollution or hazardous waste

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on the property for which it could be liable based on Gulfstream's prior ownership and/or use. Gulfstream would have no such protection if the lease is permitted to go for the full term. As a public body, the Airport Trust does not believe it can take on Gulfstream's potential liability for hazardous waste cleanup in order to gain early control of the facility.

"It seems to us that Gulfstream overreached when it tried to use the City's desire to keep CPAC in the area as a trading chip for a complete release of pollution liability that it could never otherwise obtain," Hartstone said. "Unfortunately for CPAC and all of the former CAC employees that CPAC would have hired, Gulfstream demanded something the City could not give it, so we will have to move out of Oklahoma and the parties will remain deadlocked until the lease expires," Hartstone added, "The irony is that Gulfstream will remain responsible for pollution and hazardous waste and it will still have to pay the remaining lease payments to discharge the bond liability. Gulfstream will forgo the sublease rent we would have paid and gain nothing. CPAC and the former CAC employees lose and no one wins...it's a waste."

The other site, the Downtown Airpark, has been controlled for decades by the Amos family. The facility has been under State Court receivership, initiated by creditors of Downtown Airpark, Inc. since the beginning of the summer. All former tenants have been evicted and the facility is not presently being used. CPAC proposed to lease all buildings from the receiver but the controlling creditors would not agree to such an arrangement. "We believe that the creditors were concerned about potential liability for operating the airport's runways and taxiways," Hartstone explained. "While we don't believe that would have been a problem for them with the airport operated by a receiver, we could not persuade them to permit the receiver to lease the facility to CPAC," he added. CPAC believes that the facility will sit idle until some real estate developer decides to develop it for residential or commercial use.

"The Downtown Airpark would have been a fine facility for us for a few years," Hartstone said. "That would have given us and the City time to arrange for a permanent home in Oklahoma City after our lease for the Downtown Airpark was over. At the end of the lease, the creditors still would have been able to use the land for development, but the proposed relocation of I-40 to a position closer to the Airpark would have been completed and the value of the land for such development would have increased substantially. It makes no sense to leave this facility sitting idle for three years to wait for a developer when CPAC could have used it to remain in Oklahoma City during such time."

Asked where CPAC plans to go, Hartstone stated that CPAC will conclude negotiations concerning a small number of sites within the next 10 days and will have an announcement shortly. "We still plan to be out of the present facility by the end of this month. The movers are packing us up now so we can make that schedule. Now that we know we are not staying in Oklahoma City, we expect to wrap up negotiations quickly and make an announcement soon."

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