

Waterville Airport update from the Hangar Owner Group

June 25 2014

We are a group of pilots who own hangars at the Waterville municipal airport. We have invested considerable money in aircraft hangars at the Waterville airport over the past 15 years.

The hangar owners have a relationship of tenant/landlord with the Waterville Airport Co-operative (WACL) and the Municipality of Kings ("MoK"). WACL is a non-government corporate entity with a volunteer board of directors. WACL is the organization that has management authority over the airport and leases all of the airport property from the MoK including any interest the MoK has with respect to our hangar leases.

The lease/management agreement between the WACL and the MoK does not expire until the fall of 2015 or early 2016, depending on the interpretation of the leases in question. On March 10th 2014 the county council voted to close the Waterville Airport effective September 30th 2014, fully a year before the lease/management agreement between the two groups expires.

Our hangar owner group is in fundamental disagreement with the MoK and council over closing the airport prior to the expiration of its management agreement with WACL.

As a group of hangar owners we have been supportive of Michelin Canada's need for land to expand its Waterville operation. We have taken every opportunity to meet with and discuss the premature closure date with the MoK. In April we specifically requested a non-binding mediation with the MoK on this issue, and this request was rejected by the MoK. Generally our efforts to compromise have been met with rebuke, lack of inclusion at meetings and a paucity of dialogue.

We feel that MoK has been inconsiderate of our position and unfair in its dealings with our group. We are not aware of any need, by any party involved in the potential Michelin expansion, for Michelin to have the airport lands on any timeline similar to the MoK's September 30th 2014 closure date. To the best evidence available, this date is not anchored by any substantive request or reasoning. Several of the counsellors involved in the March 10th resolution to close the airport have subsequently reconsidered their positions. In light of new evidence brought forward by airport stakeholder members they feel that the March 10th vote was passed based on the incorrect assumption that Michelin needed the land by September 30th 2014.

Our hangar owner group, in an attempt to gain better understanding of MoK's Sept 30th 2014 closure date, pressed the Premier, health minister and MLA Irving to arrange a multi-stakeholder round table meeting. This meeting happened in early May of this year. In attendance were Michelin Canada's Grant Ferguson, the Warden Diana Brothers, MoK members, MLA Keith Irving, Premier McNeil's representatives, a WACL rep, an airport taskforce rep and a hangar owner group rep. Warden Brothers attempted to exclude our

hangar owner group rep from this meeting: a meeting that we in fact requested, but she was over ruled by the meeting chair, MLA Irving.

Grant Ferguson of Michelin very clearly told all present, that Michelin does not currently have approval from its larger corporate body to expand. If they were to get an approval they would need the airport land. Grant Ferguson went on to say that Michelin was very flexible in terms of the date that it would need to have ownership of the airport land for a possible future expansion. He suggested that MoK and airport stakeholder groups get together and work out a date that we could all live with and let him know. He emphasized that he was very flexible on dates and was in no hurry to own the airport lands.

We have tried to get the Warden and the MoK back together to discuss a new later closure date. At the least, we would like to see the current management agreement between WACL and MoK respected and the contractual expiration date stand. More realistically we would like to see a new agreement developed between WACL and MoK whereby the airport is allowed to continue to exist in its present location until the proposed formal business case study is conducted and Michelin says it needs the land.

The framework of our approach is centered on the following points:

1. Warden's lack of communication with our group.
2. Council and MoK's disregard for the current lease agreement between MoK and WACL.
3. Michelin Canada's Grant Ferguson telling all parties that there is no pressing need to close the airport.
4. Several councillors feeling that the March 10th vote and resolution to close was made on poor assumptions.
5. MoKs demonstrated unwillingness to discuss solutions with our group.

Our hangar owner group feels that we have been more than reasonable in providing every opportunity to have planned and constructive meetings with the Warden and council to discuss alternatives to the resolution closure date of September 30th 2014. In our view it seems irresponsible to push forward with the closure date given what is known. It also seems a significant waste of MoK resources and tax payer money to be drawn into a legal proceeding over the September 30th 2014 closure date when there is no evidence that this date is important to Michelin Canada.

Therefore, our hangar owner group is starting an Application in Court in order to have the Supreme Court of Nova Scotia decide on the proper interpretation of the contractual documents in question and specifically the legally correct expiration dates, and the legality of the MoK resolution of March 10, 2014.

It is our sincere hope that the Warden and council will realise the error over their move to close the Waterville airport on September 30th 2014. To do this they must rescind the closure motion and consider a new agreement with WACL. This would allow the airport to continue to operate until the business case study has been done and Michelin expresses an immediate need for the airport lands.