

Smooth Flight Holdings, Inc.
10624 S. Eastern Ave., Suite A-590
Henderson, NV 89052

JUL 18 2005
RECEIVED

July 15, 2005

Chris Kunze
Manager, Long Beach Airport
City of Long Beach
California

Dear Chris,

Pursuant to City Council resolution No. C-27843 of May 15, 2001 and any subsequent revision thereof, Smooth Flight Holdings Inc. (SFHI) of Henderson Nevada hereby applies as a "proposed Indirect Commuter" Carrier for a "Conditional Allocation" of 22 commuter slots at Long Beach CA (LGB). SFHI is a new entrant and has never before applied for a slot of any kind at LGB.

Attached please find a current letter of intent from Commutair, a certificated FAR part 121 scheduled Air Carrier certified by the United States Department of Transportation and the Federal Aviation Administration indicating their willingness to provide wet leased aircraft for the intended operations in conjunction with SFHI. The proposed aircraft to operate these slots are U.S. manufactured Raytheon Beechcraft 1900D models, each equipped with two Pratt & Whitney PT6 engines and certified with a maximum ramp weight of 17,230 lbs These aircraft operate well within the 75,000 lb commuter slot weight limit and well within the noise requirements of Long Beach Municipal Code Chapter 16.43 as amended.

Other commuter aircraft are planned to be phased into the proposed service. Specific details of any other aircraft will be furnished to your good offices to ensure compatibility with the commuter air slot requirements and Chapter 16.43 prior to their entry into service of these slots.

SFHI understands that the next allocation date for applications received by July 15 2005 shall be on or about August 1st 2005. Pursuant to the resolution, SFHI intends to convert any awarded conditional allocations into Final Allocations within 90 days of August 1st 2005 (or the slot allocation day if it is later) via the method described in the resolution. Subsequently, SFHI intends to perfect the Final Allocations of these commuter slots by commencing "service" of these commuter slots within 90 days of the final allocation date and by commencing "operations" of these commuter slots within 180 days of the final allocation date (words in quotations have the meaning given to them within the resolution).

SFHI intends to be a credit to the Long Beach Airport, and will endeavor to provide a high quality product with by far the quietest aircraft to operate scheduled service at LGB with frequent and reliable service.

Kind regards,


Alex Wilcox
CEO, Smooth Flight Holdings Inc.

~~Champlain Enterprises, Inc.~~

July 12, 2005

dba CommutAir

Alexander Wilcox
CEO
Smooth Flight Holdings, Inc.
10624 S. Eastern Ave., Suite A-590
Henderson, NV 89052



LETTER OF INTENT TO PROVIDE WET LEASE AIRCRAFT

Dear Alex,

Champlain Enterprises is an FAR Part 121 air carrier with a base of operations in Plattsburgh New York. Champlain Enterprises began service in 1989 and currently operates as a "Continental Connection" partner of Continental Airlines.

Champlain Enterprises operates a fleet of 21 Beech 1900D aircraft. The airline operates nearly 200 daily flights, and carries about 500,000 passengers annually.

Champlain Enterprises has approximately 300 employees. Its major functional divisions are Flight Operations, Aircraft Maintenance, Inspection, Safety, Marketing, Sales, Corporate Finance, Corporate Planning, Training, and Administration.

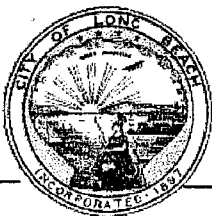
Champlain Enterprises hereby indicates that it is willing to operate, for payment under a wet lease service agreement, at least three aircraft for Smooth Flight Holdings Inc of Henderson NV (SFHI) from mid January 2006, until further notice. We understand that these aircraft would be deployed on routes intended to perfect 22 commuter air carrier slots applied for, and to be allocated to, SFHI by the city of Long Beach at its airport. For the avoidance of doubt, Champlain Enterprises understands that any obligations and rights under the slot allocation to SFHI including performance bonds shall be the sole responsibility of SFHI and that Champlain Enterprises's obligations under this agreement shall be limited to the wet lease contract with SFHI and to the operation of the aircraft in accordance with all applicable regulations. The wet lease contemplated is of the "cost plus" variety common in the industry.

The wet lease service will be operated by Beechcraft model 1900D aircraft or other suitable aircraft obtained for this purpose.

Signed,

A handwritten signature in black ink, appearing to read 'Andrew Price', written over a horizontal line.

Andrew Price
President, Champlain Enterprises



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS – AIRPORT BUREAU

4100 Donald Douglas Drive | LONG BEACH, CA 90808 | (562) 5702600 FAX (562) 570-2601

August 1, 2005

Mr. Alex Wilcox, CEO
Smooth Flight Holdings, Inc.
10624 S. Eastern Avenue, Suite A-590
Henderson, NV 89052

Subject: Notice of Incomplete Application

Dear Alex,

Thank you for your letter of July 15, 2005, requesting Conditional Indirect Commuter flight slots. Prior to processing the Smooth Flight Holdings, Inc. (Smooth), request, please provide the following additional information:

- 1) Flight Allocation Resolution C-28465 (enclosed), which supplanted Resolution C-27843 referenced in your letter, requires evidence that aircraft proposed for use will be able to conform to the City's Aircraft Noise Compatibility Ordinance. Regarding the Beech 1900D, we have adequate operational/noise monitoring information in our ANOMS noise monitoring system to know that the aircraft would be able to comply. However, in discussions with you and as referenced in your letter, you plan to phase in other aircraft (we understand that likely to be the Bombardier Q400). We have no data on this aircraft, and the Resolution (pg. 6, Line 17) requires the applicant to "provide evidence demonstrating that the aircraft could and would operate at the Airport within the noise levels permitted by Chapter 16.43...". As such, please provide us with FAR Part 36 and/or other data for our review.
- 2) As a matter of procedure and consistency, please provide a copy of Champlain Enterprise's FAR Part 121 operating certificate.
- 3) It is our understanding that an Indirect Carrier is certified and regulated by the federal DOT. As such, and to document that Smooth Flight Holdings, Inc. is eligible to act as an Indirect Commuter Air Carrier, please provide us with proof of DOT certification/authorization for Smooth Flight Holdings, Inc. to perform in the capacity of an Indirect Commuter Carrier.

AIRPORT BUREAU

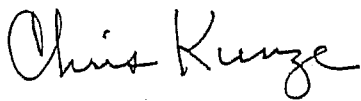
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Email: lgbapt@longbeach.gov • Webpage: www.lgb.org

Mr. Alex Wilcox
August 1, 2005
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Please be advised that we cannot deem Smooth's application complete until such time as the above mentioned information has been furnished.

Thank you for your attention to these items. We will process your request, pursuant to the Resolution, as soon as we receive the above requested information.

Yours truly,



Chris Kunze
Manager
Long Beach Airport
CK:dcj
D:729

Cc: Mike Mais, Assistant City Attorney

Enclosure