Application of

BOSTON-MAINE AIRWAYS CORP.

for issuance of an amended certificate of public convenience and necessity pursuant to 49 U.S.C. § 41102 (Interstate Large-Aircraft Operations)

SUPPLEMENT NO. 10 TO
APPLICATION OF
BOSTON-MAINE AIRWAYS CORP.
FOR AMENDED CERTIFICATE AUTHORITY

Communications with respect to this document should be sent to:

John R. Nadolny
Senior Vice President and
General Counsel
BOSTON-MAINE AIRWAYS CORP.
Pease International Tradeport
14 Aviation Avenue
Portsmouth, NH 03801
(603) 766-2000 (tel)
(603) 766-2094 (fax)

Nathaniel P. Breed, Jr.
ZUCKERT SCOUTT & RASENBERGER L.L.P.
888 17TH Street NW Suite 700
Washington, D.C. 20006-3309
(202) 973-7919 (tel)
(202) 342-0683 (fax)
npbreed@zsrlaw.com

Attorneys for
BOSTON-MAINE AIRWAYS CORP.

May 20, 2004
BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Application of
BOSTON-MAINE AIRWAYS CORP.
for issuance of an amended certificate of public
convenience and necessity pursuant to 49 U.S.C. § 41102
(Interstate Large-Aircraft Operations)

May 20, 2004

SUPPLEMENT NO. 10 TO
APPLICATION OF
BOSTON-MAINE AIRWAYS CORP.
FOR AMENDED CERTIFICATE AUTHORITY

Boston-Maine Airways Corp., d/b/a Pan Am Clipper Connection ("BMAC") hereby
submits this Supplement No. 10 to the captioned application for the purpose of furnishing
certain updated fitness information and exhibits in compliance with Condition (2) of the
specimen Certificate attached to Final Order 2003-2-24, served on February 28, 2003, and in
support of BMAC's request for expedited final action by the Department on BMAC's pending
applications for authority to operate large aircraft in interstate services in this proceeding, and
in foreign air transportation in Docket OST-03-14985.

1. FAA Part 121 Certification.

BMAC expects to be issued amended Part 121 Operations Specifications by the
Federal Aviation Administration (FAA), authorizing BMAC to operate B-727-200 aircraft, on
or about June 25, 2004. BMAC has successfully completed the training of its initial cadre of pilots, flight engineers and flight attendants, as well as the required emergency evacuation and ditching demonstrations, all under the oversight of the FAA. A copy of relevant excerpts from BMAC’s amended Operations Specifications will be filed with the Department upon their receipt by BMAC.

2. **Statement of Fitness Related Changes.**

There have been no material changes in the ownership, management, operating plans, financial condition or compliance history of BMAC subsequent to BMAC’s prior submissions of fitness-related evidence and projections submitted previously in conjunction with BMAC’s application for amended certificate authority in this proceeding. In compliance with Order 2003-2-24, BMAC hereby submits the following evidence to confirm and/or update fitness information submitted previously.

A list of BMAC’s current board of directors, executive management group, and key operating personnel is contained in Exhibit BMA-S/10-1, infra. BMAC notes that there has been only one change in the executive management group in the past year. On March 15, 2004, BMAC’s Vice President of Maintenance, Mr. David Mailhot, resigned to pursue other endeavors. He has been replaced by Mr. Steven Legere, whose Fitness Questionnaire and Resume are provided herewith in Exhibit BMA-S/10-1A. A list of all aircraft in BMAC’s current and planned aircraft fleet is contained in Exhibit BMA-S/10-2, infra. A copy of BMAC’s Balance Sheet as of March 31, 2004 is set forth in Exhibit BMA-S/10-3, infra. A
copy of BMAC’s Profit and Loss Statement for the year ended December 31, 2003 is contained in Exhibit BMA-S/10-4, infra.

3. Final Pre-Operating Expenses and Working Capital Reserve.

BMAC’s updated final list of pre-operating expenses paid to date and remaining to be paid is set forth in Exhibit BMA-S/10-5, infra.

Evidence that BMAC possesses working capital reserves on hand or available to it in an amount sufficient to exceed the total of: (1) BMAC’s remaining unpaid pre-operating expenses of $869,000 and (2) one-quarter of BMAC’s projection of its operating expenses expected to be incurred in its first year of large-aircraft scheduled-service operations, amounting to $5,685,394, is contained in BMAC’s Balance Sheet as of March 31, 2004 (Exhibit BMA-S/10-3). Third-party verification of BMAC’s working capital as of March 31, 2004 is contained in Exhibit BMA-S/10-6, infra.

As shown in Exhibit BMA-S/10-7, the total of $7,216,240 in working capital on hand and available to BMAC exceeds BMAC’s total working capital requirement of $6,554,394 by a surplus of $661,846.


A copy of a U.S. Air Carrier Certificate of Insurance on OST Form 6410, issued on May 11, 2004, evidencing the issuance of a policy of liability insurance coverage to BMAC, relating to small-aircraft operations, meeting or exceeding the requirements for certificated air carriers as stated in 14 CFR Part 205.5(b) of the Department’s Economic Regulations, is set forth in Exhibit BMA-S/10-8, infra. The original of that Certificate has
been filed with the Department’s Office of Aviation Analysis. As soon as BMAC receives FAA approval for the operation of large aircraft, an amended OST Form 6410 will be filed with the Department reflecting coverage for both large and small aircraft in an amount meeting or exceeding the requirements for certificated air carriers as stated in 14 CFR Part 205.5(b).

5. **Verification.**

A Title 18 Certification in the form specified in 14 CFR Part 204.3(v), verifying the accuracy and completeness of the information contained in this Supplement and executed by a duly authorized officer of BMAC is set forth in exhibit BMA-S/10-9, infra.

6. **Request for Issuance of an Effective Certificate.**

Except for the issuance of BMAC’s amended Operations Specifications, which BMAC expects to receive on or about June 25, 2004, BMAC submits that the foregoing information and attached documents constitute a complete response to each of the requirements stated in Condition (2) in its Specimen Certificate attached to Order 2003-2-24. Accordingly, BMAC respectfully requests the Department to issue two effective Certificates of Public Convenience and Necessity to BMAC authorizing it to provide scheduled interstate and foreign air transportation, utilizing large aircraft in addition to its current small-aircraft operations, immediately following issuance of BMAC’s amended Part 121 Operations Specifications, and without awaiting the passage of six (6) business days following the issuance of those Part 121 Operations Specifications.

WHEREFORE, BMAC requests the Department to issue an amended Certificate of Public Convenience and Necessity authorizing BMAC to provide interstate air transportation
of persons, property and mail, utilizing both small and large aircraft, as requested in its pending application in this proceeding, and an amended Certificate of Public Convenience and Necessity authorizing BMAC to provide foreign air transportation of persons, property and mail utilizing both small and large aircraft, as requested in its concurrent pending application in Docket OST-03-14985.

Respectfully submitted,

Nathaniel P. Breed, Jr.
ZUCKERT SCOUTT & RASENBERGER L.L.P. 
Attorneys for
BOSTON-MAINE AIRWAYS CORP.
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Supplement No. 10 to Application of Boston-Maine Airways Corp. by messenger, telexcopier transmission, or United States mail, properly addressed and with postage prepaid, upon each of the persons listed in the Service List attached hereto.

Joyce S. Allen

Washington, D.C.
May 20, 2004
<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Title of Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMA-S/10-1</td>
<td>Board of Directors, Executive Management and Key Operations Personnel.</td>
</tr>
<tr>
<td>BMA-S/10-1A</td>
<td>Biographical Resume and Fitness Questionnaire for Steven Legere.</td>
</tr>
<tr>
<td>BMA-S/10-2</td>
<td>Current and Planned Aircraft Fleet.</td>
</tr>
<tr>
<td>BMA-S/10-5</td>
<td>Updated Final List of Paid and Unpaid Pre-operating Expenses as of March 31, 2004</td>
</tr>
<tr>
<td>BMA-S/10-7</td>
<td>Updated Financial Fitness Test Analysis.</td>
</tr>
<tr>
<td>BMA-S/10-9</td>
<td>Title 18 Certification of John R. Nadolny, Senior Vice President and General Counsel</td>
</tr>
</tbody>
</table>
Board of Directors, Executive Management & Key Operations Personnel

Board of Directors:

Chairman: Timothy Mellon
Director: David A. Fink
Director: Richard S. Kelso
Director: D. Armstrong Fink

Executive Management & Key Operations Personnel:

President: David A. Fink
Sr. Vice President and General Counsel: John R. Nadolny
Treasurer: Joseph L. Carey
Vice President/Director of Airline Operations: Gordon R. Long
Vice President of Maintenance: Steven Legere *
Chief Pilot: Christopher Chapman
Director of Safety: Edward MacNeil
Director of Maintenance: Timothy Donovan
Chief Inspector: William Moore
Manager of Flight Ops: Craig Jolliffe
Fleet Manager (727): William Davidson
Asst. Fleet Manager (727): Burnell Bailey
Training Manager (727): Frank Doglione
Flight Ops Standardization: Matthew Gallagher
727 Instructor: Horst Kleinbauer
727 Training Development: Robert Rohrborn

* Fitness Questionnaire and Resume for S. Legere attached)
STEVEN E. LEGERE

OBJECTIVE
To obtain a position with a secure company in the aviation industry where I can utilize my management skills and knowledge on aircraft and aircraft engines.

EXPERIENCE

2001 – Present  Pan American Airways/Boston-Maine Airways Portsmouth, NH.

Jan. 2004  Vice President of Maintenance
- Responsible for all aspects of the maintenance organization and for maintaining the company’s aircraft and equipment to ensure continuous safety, airworthiness and compliance status within the approved Maintenance Programs, FAR’s and Company Policies.
- Answer directly to the President of Pan American Airways.
- Coordinate with all departments within the company on matters relative to the Operations, Quality Assurance, Maintenance, and Scheduling of aircraft.
- Establishing and promoting short and long term planning and objectives to enhance the overall performance and reliability of the Maintenance Organization.
- Plan and assist in the development of the Maintenance Organization’s budget. Recommend and approve expenditures of capital funds in connection with the department’s needs and activities.
- Negotiate, secure and execute contracts with agencies required for aircraft and aircraft part and component repair, overhaul, modification, etc.
- Assumes the duties of either the Director of Quality Assurance or Director of Maintenance in their absence.

Aug. 2003  Assistant Vice President of Maintenance
- Assistant to the VP of maintenance in budgeting maintenance costs, scheduling of maintenance checks and negotiating in-house and out station maintenance contracts.
- Coordinate with the Dir. of Maintenance and the Dir. of Quality Assurance to assure maintenance activities are completed in a safe, cost efficient and satisfactory manner.

Nov. 2001  Crew Chief
- Schedule and organize a crew of 40 technicians to perform heavy maintenance checks such as: C and D checks and special maintenance projects on Boeing 727 aircraft.
- Schedule daily maintenance on line aircraft while assigned to maintenance control.
- Engine removals, installations and servicing on JT8D-15, 15A, 17 and 17R type engines.
- Perform daily A and B checks
→ Performed Line Maintenance and Service Checks on BAE J31 Aircraft.

→ Organize on time departures by ensuring all maintenance has been complied with in a safe and professional manner.

2001 – 2001 
Atlantic Coast Airlines 
Dallas, VA 

Line Maintenance Supervisor / Boston Station
→ Oversaw and maintained a fleet of Dornier 328 jets.

→ Performed line maintenance duties such as daily inspections, line checks and routine maintenance.

→ Performed avionics functional checks on Honeywell Primus Integrated Avionics System prior to aircraft departure.

1998 – 2001 
Pan American Airways 
Portsmouth, NH

→ Oversaw and maintained a fleet of five Boeing 727’s.

→ Performed line maintenance duties such as troubleshooting systems, daily inspections, A checks and B checks.

→ Performed avionics functional checks prior to aircraft departure

→ Performed stage III modifications (Dugan, Valsan, and Raisbeck).

→ Performed heavy C check and D check maintenance.

→ Engine removal, installation and servicing of JT8K-15, 15A, 17, 17R type engines.

→ Performed Line Maintenance and Service Checks on BAE J31 Aircraft.

EDUCATION

1996 – 1998 
Colorado Aero Tech 
Broomfield, CO

→ I obtained my Airframe and Powerplant Technician License

→ I successfully achieved my Associates of Occupational Studies

→ I have 2100 hours hands-on aircraft maintenance training

→ I graduated with a 4.0 GPA

CERTIFICATION

→ Airframe and Powerplant certificate (License no. 2580807)

→ B727 Airworthiness Release

→ B727 Engine run up and taxi instructor
- Cessna citation run up and taxi qualified
- Forklift operation
- Snorkel / Man lift operation
- Tug and Tow Tractor for B727, B737, B757, and DC10, J31
- Dornier 328 Jet engine run up and taxi qualified
- Dornier 328 Jet Airworthiness Release
- Dornier 328 Jet Maintenance checks
- Embrier 135 maintenance, service checks
- Private Pilot License

EMAIL JETMECH727@ADELPHIA.NET
14 Elaine Road, Middletoa, New Hampshire 03887 – phone (603) 755-3094
BOSTON-MAINE AIRWAYS CORP.
DOT Fitness Information Questionnaire

NOTE: This questionnaire will be submitted to the DOT in connection with BMAC's DOT certificate application. Please answer all questions, with a more detailed explanation where requested, sign and date the form, and return it to Nat Breed at Zuckert Scoutt & Rasenberger via telexcopier (202/342-0683) or air express service (888 17th Street, N.W., Washington, D.C. 20006). Please indicate if you desire for any part of your response to be kept confidential.

1. Please state your name and residence address:

   Steven Legere, 11 Elaine Road,
   Middletown, New Hampshire 03857

2. Title or Position with Company:

   Vice President of Maintenance

3. Number and type of shares of Company stock owned, or to be acquired, if any:

   None

4. Current Position, Business Address and Telephone: (complete only if you are not currently employed on a full-time basis by the Company)

   N/A

5. Are you a citizen of the United States?

   Yes ✓ No

6. If you are not a U.S. citizen, please indicate your nationality and current immigration status

   N/A
7. Are you currently an officer, director or major shareholder (5 percent or more of the total stock), or do you have any other significant interest in, any other air carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautic activity? Yes ___ No ✓  
(If your answer is "yes", please provide detailed information relating to each such relationship or interest in the space provided in Attachment A to this questionnaire).

8. Have you held, in the past, any position with any U.S. or foreign air carrier, or other aviation-related business? Yes ✓ No ___  
(If "yes", please provide information regarding all positions held, with dates of employment and responsibilities, and any other relevant information, on Attachment A, or attach a copy of a recent resume to this Questionnaire).

9. Are you the subject of any pending legal action, or outstanding judgment, involving a claim in excess of $5,000? Yes ___ No ✓  
(If "yes", please provide date and amount of each claim or judgment, and the name of each claimant or judgment creditor, in the space provided in Attachment A).

10. Are you the subject of any pending legal action, or outstanding judgment, involving a claim of less than $5,000? Yes ___ No ✓  
(If "yes", please supply the total number and aggregate amount of all claims and/or judgments outstanding against you in the space provided in Attachment A).

11. Have you been the subject of a formal complaint or enforcement investigation by the DOT or the FAA regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years? Yes ___ No ✓  
(If "Yes", describe each complaint, and indicate the current status or final disposition of each complaint in the space provided in Attachment A).

12. Have you been charged with any unfair or deceptive or anticompetitive business practices, or any fraud, felony or antitrust violation, during the past ten (10) years? Yes ___ No ✓  
(If "yes", please describe, and indicate the disposition or current status of each proceeding in the space provided in Attachment A).
13. Have you been involved in any aircraft accident or incident during the past year, or in the past and which remains the subject of an open investigation by the FAA, NTSB or the Company? Yes ___ No __

(If "yes", please state the date and other details, including the status of any pending investigations, in the space provided in Attachment A).

Signature ___ Date ___

Steven Legere

Printed Name

Attachments
657282
BMAC presently operates a fleet of ten (10) Jetstream 3100 aircraft and two (2) CASA-212 aircraft, identified by registration number below:

<table>
<thead>
<tr>
<th>Jetstream 3100s:</th>
<th>CASA-212s:</th>
</tr>
</thead>
<tbody>
<tr>
<td>N508PA</td>
<td>N203PA</td>
</tr>
<tr>
<td>N525PA</td>
<td>N204PA</td>
</tr>
<tr>
<td>N528PA</td>
<td></td>
</tr>
<tr>
<td>N529PA</td>
<td></td>
</tr>
<tr>
<td>N530PA</td>
<td></td>
</tr>
<tr>
<td>N531PA</td>
<td></td>
</tr>
<tr>
<td>N535PA</td>
<td></td>
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<tr>
<td>N536PA</td>
<td></td>
</tr>
<tr>
<td>N538PA</td>
<td></td>
</tr>
<tr>
<td>N539PA</td>
<td></td>
</tr>
</tbody>
</table>

Jetstream 3100 aircraft are configured for 19 passengers.

CASA-212 aircraft have a maximum freight payload capacity of 6,000 lbs.

BMAC expects to operate the following seven (7) Boeing 727 aircraft in its first year of large aircraft operations:

<table>
<thead>
<tr>
<th>B727s:</th>
<th>Anticipated In-Service Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>N342PA*</td>
<td>June 1, 2004</td>
</tr>
<tr>
<td>N343PA</td>
<td>June 15, 2004</td>
</tr>
<tr>
<td>N346PA</td>
<td>July 31, 2004</td>
</tr>
<tr>
<td>N349PA</td>
<td>August 31, 2004</td>
</tr>
<tr>
<td>N388PA</td>
<td>August 31, 2004</td>
</tr>
<tr>
<td>N394PA</td>
<td>September 30, 2004</td>
</tr>
<tr>
<td>N397PA</td>
<td>September 30, 2004</td>
</tr>
</tbody>
</table>

* initial large aircraft certification aircraft to be utilized in proving runs.

All aircraft are or will be leased by BMAC from Guilford Transportation Industries, Inc. 14 Aviation Avenue, Portsmouth, NH 03801.
### Balance Sheet
March 31, 2004

**CURRENT ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH</td>
<td>$ 6,962,800</td>
</tr>
<tr>
<td>ACCOUNTS RECEIVABLE</td>
<td>149,610</td>
</tr>
<tr>
<td>SPARE PARTS AND SUPPLIES</td>
<td>345,940</td>
</tr>
<tr>
<td>ASSETS HELD FOR DISPOSITION</td>
<td>247,110</td>
</tr>
<tr>
<td>PREPAID ITEMS</td>
<td>11,680</td>
</tr>
</tbody>
</table>

**OTHER ASSETS**

- Property and Equipment
  - Aircraft (Improvements to Leased Property) | 2,049,540 |
  - Flight Equipment Rotable Parts             | 788,000   |
  - Ground Equipment & Vehicles                | 128,560   |
  - Test Equipment & Tooling                   | 152,600   |
  - Office Furniture & Equipment               | 29,490    |
- Accumulated Depreciation                   | (409,400) |
- Net                                       | 2,738,790 |
- Intellectual Property/Goodwill             | 50,000    |

**TOTAL ASSETS**

| Total Assets                              | $10,505,930 |

**CURRENT LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Accounts Payable</td>
<td>$ 237,050</td>
</tr>
<tr>
<td>Accrued Salaries &amp; Wages</td>
<td>45,000</td>
</tr>
<tr>
<td>Accrued Taxes</td>
<td>32,200</td>
</tr>
<tr>
<td>Accrued Lease Obligations</td>
<td>85,250</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>11,400</td>
</tr>
</tbody>
</table>

**TOTAL CURRENT LIABILITIES**

| Total Current Liabilities                 | $ 500,900 |

**STOCKHOLDERS EQUITY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>100,000</td>
</tr>
<tr>
<td>Additional Paid-in Capital</td>
<td>18,338,000</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(8,432,070)</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND EQUITY**

| Total Liabilities and Equity             | $10,505,930 |
BOSTON-MAINE AIRWAYS CORP.
Profit & Loss Statement
January 1 - December 31, 2003

Operating Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger (Scheduled)</td>
<td>3,000,463</td>
</tr>
<tr>
<td>Passenger (Charter)</td>
<td>106,200</td>
</tr>
<tr>
<td>Property (Charter)</td>
<td>24,330</td>
</tr>
<tr>
<td>Misc. Operating Revenue</td>
<td>6,105</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>3,137,098</strong></td>
</tr>
</tbody>
</table>

Operating Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flying Operations</td>
<td>2,839,269</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,202,361</td>
</tr>
<tr>
<td>Passenger Service</td>
<td>647,148</td>
</tr>
<tr>
<td>Aircraft &amp; Traffic Servicing</td>
<td>1,144,731</td>
</tr>
<tr>
<td>Promotion &amp; Sales</td>
<td>171,175</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>2,291,702</td>
</tr>
<tr>
<td>Depreciation</td>
<td>553,817</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td><strong>8,850,203</strong></td>
</tr>
</tbody>
</table>

Non-Operating Income & Expense:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Long-Term Debt</td>
<td>-0-</td>
</tr>
<tr>
<td>Other Interest Expense</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>Income Before Income Taxes</strong></td>
<td><strong>(5,713,105)</strong></td>
</tr>
<tr>
<td>Income Taxes</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td><strong>(5,713,105)</strong></td>
</tr>
</tbody>
</table>
Summary of Pre-Operating Expenses
Related to Combined Domestic and International Operations

Boston-Maine Airways Corp. has incurred or expects to incur the following expenses with respect to the initiation of domestic and international large-aircraft operations, some of which have already been paid:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Unpaid Balance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Station Expense</td>
<td>$ 98,000</td>
<td>$ 15,000</td>
</tr>
<tr>
<td>Advertising &amp; Promotion</td>
<td>$ 130,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>DOT/FAA Certification Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manuals*</td>
<td>$ -0-</td>
<td>-0-</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>$ 45,000</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>Aircraft (Acquire/Upgrade)</td>
<td>$ 500,000</td>
<td>$370,000</td>
</tr>
<tr>
<td>Crew (Training &amp; Retention)</td>
<td>$ 440,000</td>
<td>$240,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>$1,488,000</td>
<td>$124,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,701,000</td>
<td>$869,000</td>
</tr>
</tbody>
</table>

* at March 31, 2004

* All manuals have been prepared by in-house resources.
<table>
<thead>
<tr>
<th>Trade Date</th>
<th>Transaction Description</th>
<th>Dollar Amount</th>
<th>Price Per Share</th>
<th>Shares This Transaction</th>
<th>Total Shares Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-31</td>
<td>BALANCE FORWARD</td>
<td></td>
<td></td>
<td></td>
<td>5,419,029.250</td>
</tr>
<tr>
<td>03-31</td>
<td>DIVIDEND REINVESTED</td>
<td>3,660.45</td>
<td>1.000</td>
<td>3,660.450</td>
<td>5,422,690.700</td>
</tr>
</tbody>
</table>

**Statement Details**

- **Date**: 04-01-04
- **Dividends Paid This Year**: 10,891.35
- **Capital Gain Paid This Year**: 0.00

**Shares**

<table>
<thead>
<tr>
<th>Certificate Form</th>
<th>Non-Certificate Form</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>5,422,690.700</td>
<td>5,422,690.700</td>
</tr>
</tbody>
</table>

**Note:**
- Fund shares are not deposits or obligations of, nor insured by, any bank and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other agency. Fund shares involve certain investment risks, including the possible loss of principal. Share price, yield and total return may fluctuate and are not guaranteed.

**Shareholder Statement**

**Dealer Name**: MELLON FINANCIAL MARKETS INC
**Address**: ONE MELLON BANK CENTER

**Dealer Number**: 03801

**Investor Name**: BOSTON MAINE AIRWAYS
**Address**: C/O GUILFORD TRANSPORTATION INC
**Address**: 14 AVIATION AVENUE
**City**: PORTSMOUTH NH
**Zip Code**: 03801
The balances on this report are subject to final posting and are for your information only. The bank accepts no liability as a result of your use of this information.

Please note that these balances will reflect only those intraday transactions which you have requested for TDR reporting.
BOSTON-MAINE AIRWAYS CORP.
Updated Financial Fitness Test Calculation
(Combined Interstate and Foreign Operations)

**Working Capital Requirement**

- 25% of First-Year Operating Expense: $5,685,394
- Projected Unpaid Pre-Operating Expense: $869,000

**Total Working Capital Requirement**: $6,554,394

**Working Capital**

- Net Working Capital on Hand (3/31/04): $7,216,240
  (current assets less current liabilities)

**Total Working Capital**: $7,216,240

**Working Capital Surplus**: $661,846
U.S. AIR CARRIERS
CERTIFICATE OF INSURANCE
POLICIES OF INSURANCE FOR AIRCRAFT ACCIDENT BODILY INJURY AND PROPERTY DAMAGE LIABILITY

FILING INSTRUCTIONS: File an original of this form with the FAA, Air Transportation Div., AFS-200, 800 Independence Ave., SW., Washington, DC 20591. NOTE: If Block 28 on the reverse is filled in because the insured is an air taxi operator conducting scheduled passenger service (i.e., a commuter air carrier), file an original of this form with the Air Carrier Fitness Div., X-56, Office of Aviation Analysis, Dept. of Transportation, 400 7th St., SW., Washington, DC 20590.

(Please type information, except signatures.)

THIS CERTIFIES THAT: See Attached

(Name of Insurer)

has issued a policy or policies of Aircraft Liability Insurance to

Boston-Maine Airways Corporation

14 Aviation Avenue, Pease International Tradeport FAA Certificate Number

Portsmouth, NH 03801 (Name, address and FAA Certificate number of Insured U.S. Air Carrier)

effective from 06-14-03 until ten (10) days after written notice from the insurer or carrier of the intent to terminate coverage is received by the Department of Transportation.

NOTE: Part 205 of the Department's Regulations does not allow for a predetermined termination date, and a certificate showing such a date is unacceptable.

1. The insurer (Check One):

- ☐ is licensed to issue aircraft insurance policies in the United States;
- ☐ is licensed or approved by the government of _____ to issue aircraft insurance policies;
- ☐ is an approved surplus line insurer in the State(s) of __________________________.

2. The insurer assumes, under the policy or policies listed below, aircraft accident liability insured to minimums at least equal to the following during operation, maintenance, or use of aircraft in "air transportation" as that term is defined in 49 U.S.C. 40102.

(Complete applicable section(s) below):

A. U.S. AIR TAXI OPERATORS WITH PART 298 AUTHORITY ONLY

The aircraft covered by this policy are SMALL AIRCRAFT (i.e., with 60 or fewer passenger seats or with a maximum payload capacity of 18,000 pounds or less). (Check separate or combined coverage as appropriate):

☐ Separate Coverages:

<table>
<thead>
<tr>
<th>Policy No.</th>
<th>Type of Liability</th>
<th>Each person</th>
<th>Each Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bodily Injury Liability (Excluding Passengers)</td>
<td>$ 75,000</td>
<td>$300,000</td>
</tr>
<tr>
<td></td>
<td>Passenger Bodily Injury</td>
<td>$ 75,000</td>
<td>$75,000 x 75% of total number of passenger seats installed in aircraft</td>
</tr>
<tr>
<td></td>
<td>Property Damage</td>
<td></td>
<td>$100,000</td>
</tr>
</tbody>
</table>

☐ Combined Coverage: This combined coverage is a single limit of liability for each occurrence at least equal to the required minimums stated above for bodily injury (excluding passengers), property damaged, and passenger bodily injury.

Policy No. __________________________ Amount of Coverage __________________________

☐ This policy covers CARGO operations only and excludes passenger liability insurance.
## B. U.S. COMMUTER AND CERTIFICATED AIR CARRIERS OPERATING SMALL AIRCRAFT

The aircraft covered by this policy are SMALL AIRCRAFT (i.e., with 60 or fewer passenger seats or with a maximum payload capacity of 18,000 pounds or less). (Check separate or combined coverage as appropriate):

- **Separate Coverages:**

<table>
<thead>
<tr>
<th>Policy No.</th>
<th>Type of Liability</th>
<th>Each person</th>
<th>Each Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Combined Bodily Injury (Excluding Passengers other than cargo attendants) and Property Damage Liability</td>
<td>$300,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td></td>
<td>Passenger Bodily Injury</td>
<td>$300,000</td>
<td>$300,000 x 75% of total number of passenger seats installed in aircraft</td>
</tr>
</tbody>
</table>

- **Combined Coverage:** This combined coverage is a single limit of liability for each occurrence at least equal to the required minimums stated above for bodily injury (excluding passengers), property damage, and passenger bodily injury.

Policy No. **See Attached**

Amount of Coverage **$300,000,000**

- This policy covers CARGO operations *only* and excludes passenger liability insurance.

## C. U.S. CERTIFICATED AIR CARRIERS OPERATING LARGE AIRCRAFT

The aircraft covered by this policy are LARGE AIRCRAFT (i.e., with more than 60 passenger seats or with a maximum payload capacity of more than 18,000 pounds). (Check separate or combined coverage as appropriate):

- **Separate Coverages:**

<table>
<thead>
<tr>
<th>Policy No.</th>
<th>Type of Liability</th>
<th>Each person</th>
<th>Each Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Combined Bodily Injury (Excluding Passengers other than cargo attendants) and Property Damage Liability</td>
<td>$300,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td></td>
<td>Passenger Bodily Injury</td>
<td>$300,000</td>
<td>$300,000 x 75% of total number of passenger seats installed in aircraft</td>
</tr>
</tbody>
</table>

- **Combined Coverage:** This combined coverage is a single limit of liability for each occurrence at least equal to the required minimums stated above for bodily injury (excluding passengers), property damage, and passenger bodily injury.

Policy No. **See Attached**

Amount of Coverage **$300,000,000**

- This policy covers CARGO operations *only* and excludes passenger liability insurance.

### 3. The policy or policies listed in this certificate insure(s) (Check One):

- [x] Operations conducted with all aircraft operated by the insured
- [ ] Operations conducted with the following types of aircraft:
- [ ] Operations with the following aircraft: (Use additional page if necessary)

### 4. Each policy listed in this certificate meets or exceeds the requirements in 14 CFR Part 205.

---

**Thomas Gregory Associates Insurance Agency, Inc.**

601 Edgewater Drive, Suite 235 P.O. Box 555

Wakefield, MA 01880-4555

Thomas I. Gregory, III CEO

(Name of Broker, if applicable)

(Address)

(City, State, Zip Code)

781-914-3060, 781-246-2601

(Area Code, Phone Number)

(Area Code, Fax Number)

{Signature}

May 11, 2004

(Signature, if applicable)

(Date)
SECURITY (the "Insurers")

As respects Liability Insurance:

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Policy Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Home Assurance Company AI 3387401-06</td>
<td></td>
<td>15 Percent</td>
</tr>
<tr>
<td>Through American International Aviation Agency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underwriters at Lloyd's &amp; Various Companies AV 3338603</td>
<td>85 Percent</td>
<td></td>
</tr>
<tr>
<td>Through Heath Lambert Group Aerospace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>London, England</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

LSW 1001 (insurance)
BEFORE THE DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Application of BOSTON-MAINE AIRWAYS CORP. Docket No. OST-00-7768

for the issuance of a certificate of public convenience and necessity pursuant to 49 U.S.C. Sec. 41102
(Interstate Large Aircraft Operations)

CERTIFICATION

Pursuant to Title 18 United States Code Section 1001, I, John R. Nadolny, in my individual capacity and as Senior Vice President, General Counsel and Secretary of the applicant, have not in any manner knowingly and willfully falsified, concealed or covered up any material fact or made any false, fictitious, or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing or prosecution of this application. I understand that an individual who is found to have violated the provisions of 18 U.S.C. 1001 may be fined not more than $10,000 or imprisoned not more than five years, or both.

John R. Nadolny

State of New Hampshire )
County of Rockingham )

Subscribed and sworn to before me this 12 day of May, 2004.

SONJA E.M. McBRIDE, Notary Public

My Commission Expires September 25, 2007
SERVICE LIST (Boston-Maine Airways Interstate)

Mr. Anthony Liguori, Manager
Flight Standards District Office 5
FEDERAL AVIATION ADMINISTRATION
2 Al McKay Avenue
Portland, ME 04102

Jerry D. Anker
Russell Bailey
AIR LINE PILOTS ASSOCIATION
1625 Massachusetts Avenue, N.W.
Washington, DC 20036

Please also serve responsive pleadings on:

John R. Nadolny
Senior Vice President and
General Counsel
BOSTON-MAINE AIRWAYS CORP.
Pease International Tradeport
14 Aviation Avenue
Portsmouth, NH 03801

Nathaniel P. Breed, Jr.
ZUCKERT SCOUTT & RASENBERGER LLP
888 17th Street NW Suite 700
Washington DC 20006-3309