

THE AYERS ISLAND SUPER INCUBATOR



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George Markowsky

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Ayers Island, LLC is in the process of developing the former Striar Textile Mill on Ayers Island into a showpiece Research & Development facility, which we call a super incubator. The term, super *incubator*, means that the Ayers Island facility will not target a single industry, but will provide incubation facilities for several of Maine's targeted industrial sectors, as well as for some non-targeted industrial sectors. The goal of the super incubator is to provide a facility that will help grow companies that would benefit from being close to the University of Maine. Ayers Island, LLC is planning to bring modern manufacturing to Ayers Island. Such a facility will complement the activities at the University and give Orono the dynamic combination of a mighty university coupled with an aggressive high technology commercialization center.

PARTNERS AND ALLIES

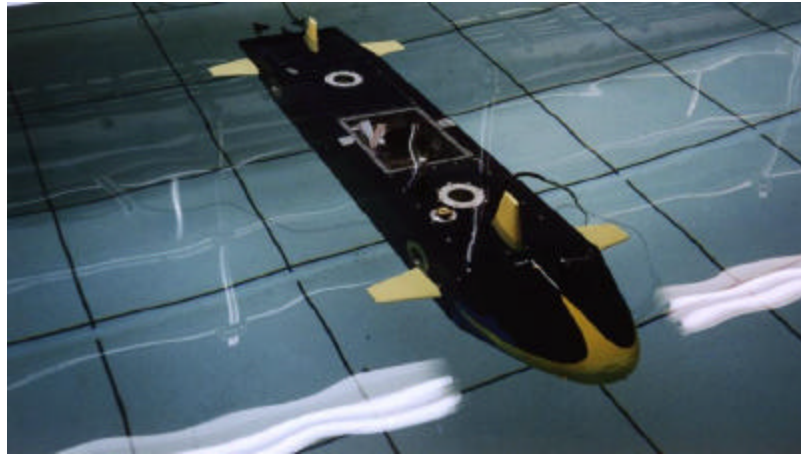
Ayers Island, LLC, which is owned and managed by George Markowsky, is implementing the development. George Markowsky has been an active entrepreneur for 7 years, as well as a Professor of Computer Science at the University of Maine since 1983, where he currently serves as Chair of the Department of Computer Science. He has ownership interests in a variety of companies. All of these companies are involved to some extent in the development of Ayers Island. We will now briefly summarize some of these companies and the roles that they will play in the development of the Ayers Island Super Incubator.

Trefoil Corporation

The oldest of the companies is Trefoil Corporation. This company was founded in 1993 and provides software and web development services. Trefoil has carried out large projects for the U.S. Department of Labor, and the National Institutes of Health, together with a score of smaller projects. Trefoil Corporation also does some light manufacturing in connection with a product called PC-Pedal™, and provides extensive website testing. Trefoil Corporation will take the lead in delivering Internet and Web services to Ayers Island, as well as the development of the augmented reality facilities (to be described later in this report). Trefoil also expects to rent space at Ayers Island in the future.

ipPerspective, LLC

Related to Trefoil Corporation, is ipPerspective, LLC. ipPerspective will consult on the development of video conferencing services using IP. These services can be used over the web and will be quite handy for the tenants. ipPerspective has been spun off from Trefoil as a result of a \$10,000 seed grant obtained from the MTI (Maine Technology Institute). ipPerspective will have its Maine office at the Ayers Island Super Incubator.



An AUV Undergoing a Test at the Naval Postgraduate School

Maine Autonomous Underwater Vehicle Company, LLC (MAUVCO)

MAUVCO, LLC (Maine Autonomous Underwater Vehicle Company) is in the process of designing and building low cost autonomous underwater vehicles. An existing non-MAUVCO AUV is shown below. MAUVCO is completing its initial business plan as a result of winning a \$10,000 seed grant from the MTI. MAUVCO will house its facilities on Ayers Island.

Baldacci Associates and PA Strategies

Baldacci Associates of Bangor, together with PA Strategies of Portland, are both helping Ayers Island, LLC obtain grants for the development of the Super Incubator. Both groups act as advisors to Ayers Island, LLC and have been quite productive.

Maine Technology Development Group (MTDG)

Of essential importance to the development of companies at Ayers Island is the Maine Technology Development Group (MTDG), which is headed by Robert Baldacci.

MTDG specializes in helping new business with their management, financial, planning, marketing and technical needs. MTDG has extensive experience in helping companies get grants, capital and assistance of all types. MTDG is planning to have an office at the Ayers Island Super Incubator.

Maine Venture Capital, LLC

Another company with plans to locate at Ayers Island and which will be of great help to new companies is Maine Venture Capital (MVC), which is headed by Robert Barrett. MVC is allied with the Stenton-Leigh Investment Group in Florida and expects to help startups on Ayers Island.

Maine Wood Innovations, LLC (MWI)

MWI, headed by George Campbell, is in the process of creating new wood products. MWI will have several locations across Maine. MWI, however, is interested in using Ayers Island for prototyping new products.

Other Partners

Ayers Island, LLC is also working closely with the Town of Orono, Eastern Maine Development Corporation, Maine's Department of Environmental Protection, Maine's Department of Community and Economic Development, the US Environmental Protection Agency, and the US Economic Development Administration. Ayers Island is also working with a variety of architectural and engineering firms to help develop the island. Below is one of the preliminary 3-D figures prepared as part of modeling the entire island and all of its buildings.

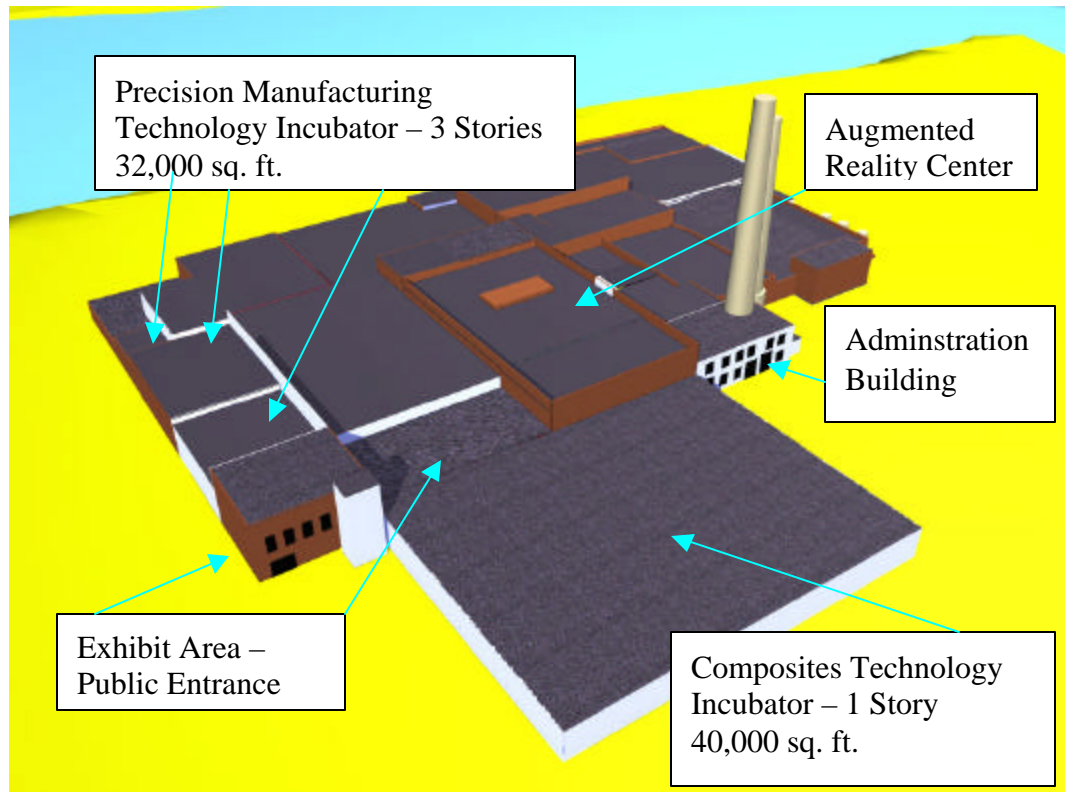


A 3-D Model of Ayers Island and Its Buildings

ACTIVITIES AT THE SUPER INCUBATOR

Ayers Island comprises 62 acres of land, and is zoned industrial. The main building on Ayers Island contains approximately 360,000 square feet and has a 5-acre footprint. Much of the infrastructure is in place including the heating system, electrical system, sprinkler system and plumbing. There are some difficulties in making the systems operational, but Ayers Island, LLC now has a good understanding of what needs to be done to populate the building and is quite confident that renovations can be carried out for substantially less money than is required to build new. Parts of the main building date back to 1907 and feature elaborate brickwork. Once restored, the main building will be a memorable building.

1. **Incubators for various industrial sectors.** Detailed plans have been prepared for a Composites Technology Incubator and a Precision Manufacturing Technology Incubator. These are available separately. The diagram below shows the locations of the proposed incubators and of some other facilities. The Composites Technology Incubator is expected to occupy about 40,000 square feet and the Precision Manufacturing Technology Incubator is expected to occupy about 32,000 square feet.



We expect to develop incubators to support some industrial sectors in addition to the two sectors already mentioned. These incubators include: Educational Technology, Augmented Reality and Crisis Management, Space Technology, and Marine Science (of which MAUVCO is an example).

2. **Commercial Space.** We expect to offer high quality rental space to a variety of companies. In particular, Trefoil Corporation is looking to Ayers Island to provide expansion space in the years to come. We hope to attract established companies to the Super Incubator as tenants. These established companies could partner and mentor some of the startup companies. Trefoil Corporation will be one of the tenants.

3. **Restaurants and Support Businesses.** We intend to build high quality restaurants and some quick eateries on site. In addition we are looking toward establishing useful support businesses such as a copy and shipping center. The goal is to make the Super Incubator a great place for doing business.

4. **Arts Incubator.** Ayers Island is also the headquarters of the *STArt Group* (Science Art Technology Group). This is an international group of artists, scientists and technologists working on developing activities that connect these three sectors and which make full use of modern technology. The Super Incubator seeks to foster creativity in all spheres because creativity in one sphere tends to stimulate it in another. We are looking at a serious proposal to establish a theater company that will use the refurbished Millennium Barn, a 5,000-sq. ft. barn built around the time of the Civil War, for a theater. The Millennium Barn will also be used as a large meeting hall since it can seat over 300 people. Working with Prof. Cristin Millett of the University of Maine Art Department, we have begun to put together a sculpture garden. Below are some of the works that can now be found on Ayers Island.



A River Sentry



Some Novel Leaves



Working Hard On Ayers Island

5. **Exhibition Center.** The Super Incubator will have an exhibition area to display the achievements of its tenants. Since the Super Incubator will house science, technology and artistic concerns, its exhibition area should be of great interest and will help attract potential clients and business to the Super Incubator.
6. **Conference Center.** We intend to develop a very innovative and high quality conference center on Ayers Island. This will bring a steady stream of exceptional individuals and conferences to Ayers Island. This conference center will help not only the Super Incubator, but the University of Maine as well.
7. **Entertainment Center.** We intend to develop recreational activities on Ayers Island. There are some smaller buildings on the Island that are ideally suited for such purposes. One of these buildings, is slated to be a *Canoe and Kayak Club*. This will feature a dining facility overlooking the water as well as facilities to make it easy for people to enjoy the river. In winter, it will feature winter activities.
8. **Public Activities.** We are actively committed to making an important contributor to the overall atmosphere of the Town of Orono. We have been working with the Orono Land Trust to develop **nature trails** and cross country skiing trails on the island for the public to use. These trails will be safely buffered from any R&D areas on the island. We have already begun to establish a **sculpture garden**, and are well along in creating the exhibition area. Activities in the arts will also provide interesting activities for the public to attend.

DEVELOPMENT STRATEGY AND TIMELINE

This is a large project that will take significant time and money to complete. It is also a project with significant financial risk. Our plan is to develop this project over a ten-year

period. Below we provide a brief explanation of what has been accomplished so far and what we expect to have happen in each year. It is hard to project for ten years, so the final result might differ in some substantial ways from what is outlined below. Nevertheless, we are confident that the final result will be a facility that Orono will be proud to have.

YEAR ONE (6/99-5/00)

- Property Acquisition
- Securing the Building
- Developing the Bridge Proposal
- Property Stabilization
- Restoring Electrical Power
- Essential Improvements
- Trash Removal
- Sculpture Garden

A lease-purchase agreement between the Town of Orono and Ayers Island, LLC was signed in June 1999. Much time and money was spent by Ayers Island, LLC to clear the title. This was not accomplished until the following year. The agreement was actually signed by the Town of Orono and SciCloid, LLC. To better promote the Ayers Island project, SciCloid decided to do business under the name of Ayers Island, LLC rather than SciCloid, LLC and filed the necessary papers for doing so.

Immediately upon the signing of the agreement, Ayers Island, LLC hired a security guard and secured the various buildings, which had been left completely open.

A significant obstacle in the development of this property is the need for a new two-lane bridge to connect Ayers Island to the mainland. The agreement between the Town of Orono and Ayers Island, LLC calls for the Town to own the bridge and property over which the bridge runs. The Town of Orono, Ayers Island, LLC and Baldacci Associates were successful in getting the bridge put on the State's bridge building list. If all goes well, there will be a new bridge to the island by fall of 2002. Our hope is that the bridge can be build using the innovative wood composite technologies developed at the University of Maine.

We did a fair amount of work stabilizing various parts of the buildings. In particular, the Millennium Barn received some much needed foundation work, some new sills, and had its broken concrete floor removed. It is now quite stable and is awaiting further development.

We were successful in restoring power to most of the building. Much of the old infrastructure worked on 570 volts, which is no longer supplied by Bangor Hydro. We expect to do a large amount of rewiring, both to bring the electrical service up to code and to utilize the voltages that are currently available.

We placed new roofing over various parts of the building to reduce the amount of water flowing into the building. We did a fair amount of improvement in various drains and put tarps over some parts of the roof .

We removed large amounts of trash from the building including approximately 75,000 pounds of rotten wool. We removed many trashy metallic projections from the side of the building as well.

In May of 2000, we had a student sculpture show which gave a start to the sculpture garden that was discussed earlier. We expect another sculpture shown in May of 2001.

YEAR TWO (6/00-5/01)

- Property Acquisition
- Environmental Analysis
- Return to the Tax Roll
- Developing the Bridge Proposal
- Essential Improvements
- Demo Facility
- Engineering and Design Work
- Trash Removal
- Sculpture Garden
- Establishing High Speed Internet Service

- Nature Trails
- Restoring Water and Sewer
- Attract Tenants to Ayers Island

All the paperwork for clearing the title was completed in the first half of the year, so now the title is vested in the Town of Orono and the full implementation of the lease-purchase can proceed.

The US EPA hired a contractor to review the site. The contractor delivered a report in December of 2000, recommending relatively minor clean up of the island, but requiring some additional study of the building. Consequently, we will most likely not be finished with the environmental analysis until sometime in Year 3 of this plan.

Ayers Island is now back on the Orono tax roll, and has paid its taxes for the first time in quite a few years.

Work continues on the bridge. The University of Maine has designed a very exciting bridge to showcase their technology. We are working on securing some Federal funding to help finance the bridge construction which is estimated to be around \$3,000,000. We made some esthetic improvements to the existing bridge.

We have continued to make essential improvements. More roof repairs and drainage system repairs and installation have been completed and will be completed.

We are close to completing our demo room. This is a 3,000-sq. ft. space that illustrates what the building can look like after some basic renovations are made.

We intend to do a complete engineering study and complete design work for the various parts of the building. This has begun and we already have a 3-D model of the island and the main building. We have used parts of this model for some of the pictures in this document. We have received a \$25,000 grant from the Economic Development Administration to help fund this work. More grants are in the works.

We have continued to clean up the building. We have hired salvagers to remove some of the unneeded scrap that can be found throughout the building.

We plan to continue our collaboration with the UM Art Department and will have another outdoor sculpture show in May 2001.

Ayers Island was scheduled for high-speed Internet service using DSL, but VTTS, the company that was to provide the link, over-expanded and went bankrupt. We are working on making new arrangements for connectivity.

Working with the Orono Land Trust, new nature trails have been mapped out. A cross-country skiing trail has been put in place. University of Maine Professor William LePage used the island as a setting for his environmental interpretation class. The class produced an interesting history that we hope to make available in the near future.

We have been working with the Orono-Veazie Water District on restoring water and sewer service to the Island. We plan to have water and sewer available by the middle of 2001.

We are working on marketing materials and hope to attract tenants to Ayers Island in Year 3.

YEAR THREE (6/01-5/02)

- Conclude Environmental Analysis
- Attract Bank Financing
- First Incubators
- Augmented Reality Center and Crisis Management Center
- Essential Improvements
- Expand Demo Facility
- Renovate the Millennium Barn
- Conclude Engineering and Design Work
- Trash Removal
- Sculpture Garden
- Attract Tenants to Ayers Island

We hope that the environmental analysis can be concluded in this year. This is critical for securing bank financing. Banks are very nervous about lending money before the environmental analysis is concluded.

We will be submitting proposals to secure state funding for both a Composites Technology Incubator and a Precision Manufacturing Technology Incubator. Regardless of whether we can attract state funding, we will be taking steps toward constructing incubators of various sorts. The details are unclear at this time since our funding situation is not clear.

We intend to begin implementing the Augmented Reality Center and the Crisis Management Center. George Markowsky is one of the founding members of the Multi-Sector Crisis Management Consortium, which has a center in Washington DC and will be organized as a Maine-based non-profit corporation.

We will continue working on the various items listed, including the renovation of the Millennium Barn, at least to the point where it can be used seasonally

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YEAR FOUR (6/02-5/03)

- Begin Environmental Remediation
- Conclude Bridge Construction
- Continue with Previous Activities
- Undertake Design of the Conference Center
- Work on the Canoe and Kayak Club
- Introduce Support Businesses

In Year 4 we will begin environmental remediation. Also, the new bridge is scheduled to be finished this year. We will continue working on the various initiatives such as the Conference Center, the Canoe and Kayak Club, and work on various support businesses including the restaurants and services centers.

YEARS FIVE THROUGH TEN (6/04-5/09)

The further out one tries to project, the more difficult it is to put together an accurate timeline. We expect that if we succeed in carrying out the activities proposed for the first three years, there will be plenty of momentum and projects to carry out for the remaining years of the plan. We will continue to develop the factory space and build

new space as needed. We hope to establish a virtual reality center that will attract tourists, and to establish a science and technology museum.

CONCLUSION

Using this time sequence, by the year 2010, Ayers Island could be a tax-producing, productive and attractive component of the Town of Orono, in harmony with the Town's overall land use and economic growth goals. The project requires no zoning change -- only time, passion and a commitment to creating a facility that can make us all proud. Ayers Island, LLC believes in Orono, and would sincerely like to create this significant contribution to the Town's development.

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