



**Sample, Inc.**

*Presented To:*

**Mr. John Doe**

*February 15, 2018*

Leading Edge Aviation Solutions, LLC  
35 Waterview Blvd. 2<sup>nd</sup> Floor  
Parsippany, NJ 07054  
Tel: 201-891-0881 Fax: 973-352-6350  
Website: [www.leas.com](http://www.leas.com).  
Email: [aircraftsales@leas.com](mailto:aircraftsales@leas.com)

### Objective:

- **To Evaluate and Recommend Appropriate Aircraft for Sample, Inc.**
  - ❑ An understanding of the total population of aircraft within each scenario.
  - ❑ An understanding of the anticipated pricing associated with each realistic option.
  - ❑ Most appropriate financing approach from a lease vs. purchase perspective to include recommended approach and associated rationale.
  - ❑ Recommended age ranges of aircraft to target given value for price considerations, maintenance schedules and cost differences among aircraft and avionics requirements now and in the future.
  - ❑ Your opinion on the optimal aircraft to meet our needs under the Mid-Range and Long-Range Scenarios below.
  
- **Aircraft Requirements.**
  - ❑ Mid-Range Scenario: Aircraft with partial coast to coast capability.
  - ❑ Long-Range Scenario: Aircraft with reliable coast to coast capability.
  
- **Additional Requirements.**
  - ❑ Aircraft Value Range \$10 – 13 Million.
  - ❑ Passenger capacity between 8-10.
  - ❑ Modern avionics compliant with ADS-B Out and ALL NextGen requirements.
  - ❑ Domestic Wi-Fi.
  - ❑ Appropriate safety equipment.

# Total Population of Aircraft

## Mid-Range & Long-Range Scenarios

Make	Model	Years Manufactured	# Aircraft in Fleet	# For Sale	% For Sale	Price Range	Est. Direct Op. Cost/Hr <sup>1</sup>	Est. Total Annual Cost (Variable + Fixed Costs) <sup>1</sup>	# of Pax	Cabin Vol. (Cu. Ft.) <sup>1</sup>	Max Range w/ Max Pax (nm) <sup>1</sup>
<b>Mid-Range Scenario Aircraft</b>											
Citation	Sovereign	2004 - 2013	348	33	9.5%	\$5.0 - \$10.0 Million	\$2,076	\$1,073,135	8 - 10	571	2,620
Citation	Sovereign +	2013 - Present	74	4	5.4%	\$11.0 - \$18.0 Million	\$1,979	\$1,057,689	8 - 10	585	2,773
Citation	Latitude	2015 - Present	95	3	3.2%	\$13.0 - \$17.0 Million	\$2,104	\$1,111,136	7 - 8	587	2,455
Challenger	300	2004 - 2014	454	25	5.5%	\$7.0 - \$14.0 Million	\$2,335	\$1,442,919	9 - 10	930	3,065
Gulfstream	G200	2000 - 2011	246	33	13.4%	\$3.0 - \$7.0 Million	\$2,431	\$1,488,313	8 - 10	869	3,130
Gulfstream	G280	2012 - Present	117	1	0.9%	\$13.0 - \$24.0 Million	\$2,396	\$1,459,314	8 - 10	888	3,590
Hawker	900XP	2008 - 2012	182	21	11.5%	\$4.0 - \$6.0 Million	\$2,051	\$1,066,942	8 - 9	551	2,733
Legacy	450	2015 - Present	22	0	0.0%	\$15.0 - \$17.0 Million	\$2,102	\$1,080,734	7 - 9	705	2,521
Legacy	500	2014 - Present	51	3	5.9%	\$15.0 - \$20.0 Million	\$2,501	\$1,459,610	8 - 12	823	3,027
<b>Long-Range Scenario Aircraft</b>											
Challenger	604	1996 - 2007	362	32	8.8%	\$3.0 - \$8.0 Million	\$2,614	\$1,572,163	9 - 12	1,146	3,756
Challenger	605	2007 - 2015	287	18	6.3%	\$8.0 - \$16.0 Million	\$2,439	\$1,512,915	9 - 12	1,146	3,756
Falcon	2000EXy	2004 - 2009	104	6	5.8%	\$9.0 - \$13.0 Million	\$2,456	\$1,519,045	8 - 10	1,028	3,878
Falcon	2000LX	2007 - 2013	131	5	3.8%	\$12.0 - \$21.0 Million	\$2,391	\$1,498,480	8 - 10	1,028	3,970
Falcon	900EXy	2003 - 2010	120	7	5.8%	\$11.0 - \$19.0 Million	\$3,028	\$1,712,119	12 - 14	1,270	4,500
Falcon	900LX	2010 - Present	61	8	13.1%	\$21.0 - \$42.0 Million	\$2,850	\$1,658,618	12 - 14	1,270	4,800
Gulfstream	G450	2005 - 2016	351	25	7.1%	\$9.0 - \$25.0 Million	\$3,260	\$1,858,183	12 - 16	1,658	4,070
	= Considered Aircraft										

<sup>1</sup> Performance & operational cost data provided by Conklin & de Decker Cost Evaluator. Fuel Assumption = \$3.57/Gal, 120,000 NM/Yr, 850 NM Avg Segment. Total Annual Cost Assumes No Depreciation or Tax Benefits.

# Purchase (Finance) vs. Lease Considerations

## Mid-Range & Long-Range Scenarios

### Purchase (Finance):

- More aircraft options and increased flexibility.
- Owner assumes residual value risk.
- More operational flexibility and control.
- Actual Sale Price at the end of 10 Years will have a large impact on the Total Cost of Ownership over the 10 Year Hold Period. An average annual value depreciation rate of 10.0% per year was used in the attached NPV calculations to calculate the Estimated Sale Price at the end of 10 Years but the Actual Sale Price could alter actual costs significantly.

### Lease:

- Fewer aircraft options and less flexibility.
  - ❑ Many leasing companies limit NEW leases to late model aircraft.
  - ❑ Could be limited to previously leased “lease return” aircraft currently owned by leasing companies.
- Lessor typically assumes residual value risk.
- Many leasing companies are upside down and motivated to re-lease “lease return” aircraft at competitive prices instead of selling at a loss.

# Aircraft Purchase/Lease – Considerations

## *Mid-Range & Long-Range Scenarios*

### **Maintenance Costs:**

- Maintenance costs tend to go up as an aircraft ages due to out of warranty, major periodic inspections, overhaul events, corrosion, wear and tear on paint/interior, etc. but not at a measurable or predictable rate as it depends on many factors.
- More important is where and how the aircraft has been stored (ramp vs. hangar), where/how it has been maintained, and its current maintenance status, i.e. no major inspections coming due.
- In many cases an older aircraft that has been properly maintained and hangared will have lower maintenance costs with superior dispatch reliability when compared to a newer aircraft that has NOT been properly maintained and hangared.

### **Value vs. Price:**

- Value is much more important than Price in the Purchase/Lease of an aircraft, i.e. better to pay \$12 million for an aircraft valued at \$13 million than to pay \$11 million for one valued at \$10 million.

### **Older vs. Newer:**

- Traditionally the opportune time to purchase an aircraft has been in the 5 – 7 year old range after the initial depreciation from new has occurred and after the aircraft has gone through its 1<sup>st</sup> major inspection.
- The trade offs of purchasing an older aircraft with more performance capabilities at a similar price point to a newer aircraft with lesser performance capabilities should be considered.

# Aircraft Purchase/Lease – Pros & Cons

## Mid-Range & Long-Range Scenarios

Make	Model	Cabin Comfort	Number of Seats	Baggage	Range	Acqui. Cost	Oper. Costs	Residual Value	Aircraft Age
<b>Mid-Range Scenario Aircraft</b>									
Citation	Sovereign	✓	✓	✓	✓	✓	✓	✓	✓
Citation	Sovereign +	✓	✓	✓	✓	✗	✓	✓	✓
Citation	Latitude	✓	✓	✓	✓	✗	✓	✓	✓
Challenger	300	✓	✓	✓	✓	✓	✓	✓	✓
Hawker	900XP	✓	✓	✗	✓	✓	✓	✗	✓
<b>Long-Range Scenario Aircraft</b>									
Challenger	604	✓	✓	✓	✓	✓	✓	✓	✓
Challenger	605	✓	✓	✓	✓	✓	✓	✓	✓
Falcon	2000LX	✓	✓	✓	✓	✓	✓	✓	✓
Falcon	900EXy	✓	✓	✓	✓	✓	✓	✓	✓
Gulfstream	G450	✓	✓	✓	✓	✓	✗	✓	✓
✓	= Best								
✓	= Better								
✗	= Marginal								

# Aircraft Purchase/Lease – Recommendations

## Mid-Range & Long-Range Scenarios

### Mid-Range Scenario:

- All aircraft listed in the Mid-Range Scenario are viable options for the Continental U.S. coast-to-coast mission but are not recommended for the Long-Range Scenario mission.
- If **Acquisition Cost** of the Mid-Range Scenario is the overriding factor, a late-vintage Citation Sovereign aircraft should be seriously considered as it can adequately perform the Continental U.S. coast-to-coast mission and can be purchased/leased at the most competitive price.
- If **Mission Performance** of the Mid-Range Scenario is the overriding factor, a late-vintage Challenger 300 should be seriously considered as it can best perform the Continental U.S. coast-to-coast mission and can be purchased/leased at a competitive price.

### Long-Range Scenario:

- If **Acquisition Cost** of the Long-Range Scenario is the overriding factor, a late-vintage Challenger 604 aircraft should be seriously considered as it can adequately perform the Long-Range mission and can be purchased/leased at the most competitive price.
- If **Mission Performance** of the Long-Range Scenario is the overriding decision factor, a late-vintage Challenger 605 should be seriously considered as it can sufficiently perform the Long-Range mission and can be purchased/leased at a very competitive price. An alternative would be an early vintage Falcon 2000LX as it can best perform the Long-Range mission, although it would take a vintage 5 years older than the Challenger 605 to be purchased/leased at a comparable price.

# Aircraft Purchase/Lease – Recommendation

## Mid-Range Scenario

### Mid-Range Scenario:

10 Year NPV

#### Decision Driver = Acquisition Cost

Mid-Range 1-P:	<i>PURCHASE</i>	2010 Citation Sovereign (\$7.5M Cost)	(\$15,129,354)
Mid-Range 1-L:	<i>LEASE</i>	2010 Citation Sovereign (\$7.5M Cost)	(\$13,973,975)

#### Decision Driver = Mission Performance

Mid-Range 4-P:	<i>PURCHASE</i>	2012 Challenger 300 (\$12.5M Cost)	(\$20,988,561)
Mid-Range 4-L:	<i>LEASE</i>	2012 Challenger 300 (\$12.5M Cost)	(\$19,062,930)



# Aircraft Purchase/Lease – Recommendation

## Long-Range Scenario

### Long-Range Scenario:

**10 Year NPV**

#### Decision Driver = Acquisition Cost

Long-Range 1-P:	<i>PURCHASE</i>	2005 Challenger 604 (\$7.0M Cost)	(\$17,692,282)
Long-Range 1-L:	<i>LEASE</i>	2005 Challenger 604 (\$7.0M Cost)	(\$16,613,928)

#### Decision Driver = Mission Performance

Long-Range 2-P:	<i>PURCHASE</i>	2012 Challenger 605 (\$13.0M Cost)	(\$21,847,711)
Long-Range 2-L:	<i>LEASE</i>	2012 Challenger 605 (\$13.0M Cost)	(\$19,845,054)
Long-Range 3-P:	<i>PURCHASE</i>	2007 Falcon 2000LX (\$12.0M Cost)	(\$20,941,134)
Long-Range 3-L:	<i>LEASE</i>	2007 Falcon 2000LX (\$12.0M Cost)	(\$19,092,528)

# 10 Year NPV Cash Flow Summary – Mid-Range & Long-Range

*Estimated 10-Year Pre-Tax Cost Analysis*

## APPENDIX

# Current State Assessment – 2015

2008 Citation Sovereign #680-0216

	<u>Total (w/ BWI-IAD)</u>	<u>BWI-IAD</u>	<u>Total (No BWI-IAD)</u>
<b>2015</b>			
Total Hours Flown	288.7	17.0	<b>271.7</b>
Total Miles Flown (nm)	102,383.0	2,120.0	<b>100,263.0</b>
Total Trips Flown	185	53	<b>132</b>
Average Trip Length (nm)	-	-	<b>760.0</b>
# of European Trips			<b>1</b>
# of West Coast Trips (Scottsdale & Beyond)			<b>12</b>
Longest Trip - Dulles-Berlin (nm)			<b>3,653.0</b>
# of Trips Requiring Extra Stop (# / %)	-	-	<b>2 / 1.5%</b>
Total # of Extra Stops Required	-	-	<b>3</b>

# Current State Assessment – 2016

2008 Citation Sovereign #680-0216

	<u>Total (w/ BWI-IAD)</u>	<u>BWI-IAD</u>	<u>Total (No BWI-IAD)</u>
<b>2016</b>			
Total Hours Flown	306.2	15.6	<b>290.6</b>
Total Miles Flown (nm)	110,142.0	2,120.0	<b>108,022.0</b>
Total Trips Flown	183	50	<b>133</b>
Average Trip Length (nm)	-	-	<b>812.0</b>
# of European Trips			<b>2</b>
# of West Coast Trips (Scottsdale & Beyond)			<b>14</b>
Longest Trip - Dulles-Palma (nm)			<b>3,602.0</b>
# of Trips Requiring Extra Stop (# / %)	-	-	<b>5 / 3.8%</b>
Total # of Extra Stops Required	-	-	<b>7</b>

# Current State Assessment – 2017 (YTD 08/17 Annualized)

2008 Citation Sovereign #680-0216

	<u>Total (w/ BWI-IAD)</u>	<u>BWI-IAD</u>	<u>Total (No BWI-IAD)</u>
<b>2017 (YTD 08/17 Annualized)</b>			
Total Hours Flown	333.2	17.3	<b>315.9</b>
Total Miles Flown (nm)	118,373.0	2,280.0	<b>116,093.0</b>
Total Trips Flown	194	57	<b>137</b>
Average Trip Length (nm)	-	-	<b>850.0</b>
# of European Trips			<b>3</b>
# of West Coast Trips (Scottsdale & Beyond)			<b>14</b>
Longest Trip - Dulles-Berlin (nm)			<b>3,653.0</b>
# of Trips Requiring Extra Stop (# / %)	-	-	<b>8 / 5.5%</b>
Total # of Extra Stops Required	-	-	<b>12</b>

# Current State Assessment – Summary

2008 Citation Sovereign #680-0216

## Current State Assessment - Summary:

- **Base Aircraft at Dulles (IAD) instead of Baltimore-Washington (BWI).**
  - ❑ Will eliminate 17.3 Hours of Flight Time (5.2% of Total Flight Time) - YTD 08/17 Annualized.
  - ❑ Will eliminate 57 Repositioning Trips (29.4% of Total Trips) - YTD 08/17 Annualized.
  
- **Average Passenger Load for 2015 and 2016 was approximately 4 Passengers per Trip.**
  
- **Total Hours Flown for 2017 YTD annualized was approximately 116,000 nm.**
  
- **Average Trip Length for 2017 YTD annualized was approximately 850 nm.**
  
- **# of European & West Coast Trips:**
  - ❑ 2015                      Europe = 1    West Coast = 12
  - ❑ 2016                      Europe = 2    West Coast = 14
  - ❑ 2017 (Annualized)    Europe = 3    West Coast = 14
  
- **Range limitations of Citation Sovereign.**
  - ❑ 8 of 137 Trips (5.5% of Trips) required additional stops - YTD 08/17 Annualized.
  - ❑ On 4 of the 8 Trips, 2 additional stops were required - YTD 08/17 Annualized.
  - ❑ The Sovereign is not well suited for Transatlantic crossings. Requires 2 Stops on ALL return flights from Europe and 2 Stops on most flights to Europe.

# Total Population of Aircraft

## Non-Stop Range Estimates – Mid-Range Scenario

Make	Model	Years Manufactured	# Aircraft in Fleet	# For Sale	% For Sale	Price Range	Dulles (IAD) to Burbank (BUR) Non-Stop Probability (8 Pax) - 1,981 nm *	Burbank (BUR) to Dulles (IAD) Non-Stop Probability (8 Pax) - 1,981 nm *	Max Range w/ Max Pax (nm) <sup>1</sup>
<b>Mid-Range Scenario Aircraft</b>									
Citation	Sovereign	2004 - 2013	348	33	9.5%	\$5.0 - \$10.0 Million	50%	99%	2,620
Citation	Sovereign +	2013 - Present	74	4	5.4%	\$11.0 - \$18.0 Million	50%	99%	2,773
Citation	Latitude	2015 - Present	95	3	3.2%	\$13.0 - \$17.0 Million	50%	99%	2,455
Challenger	300	2004 - 2014	454	25	5.5%	\$7.0 - \$14.0 Million	75%	99%	3,065
Gulfstream	G200	2000 - 2011	246	33	13.4%	\$3.0 - \$7.0 Million	75%	99%	3,130
Gulfstream	G280	2012 - Present	117	1	0.9%	\$13.0 - \$24.0 Million	75%	99%	3,590
Hawker	900XP	2008 - 2012	182	21	11.5%	\$4.0 - \$6.0 Million	50%	99%	2,733
Legacy	450	2015 - Present	22	0	0.0%	\$15.0 - \$17.0 Million	50%	99%	2,521
Legacy	500	2014 - Present	51	3	5.9%	\$15.0 - \$20.0 Million	75%	99%	3,027

= Considered Aircraft

<sup>1</sup> Performance & operational cost data provided by Conklin & de Decker Cost Evaluator. IAD-BUR- IAD Non-Stop Probability Estimated.

# Total Population of Aircraft

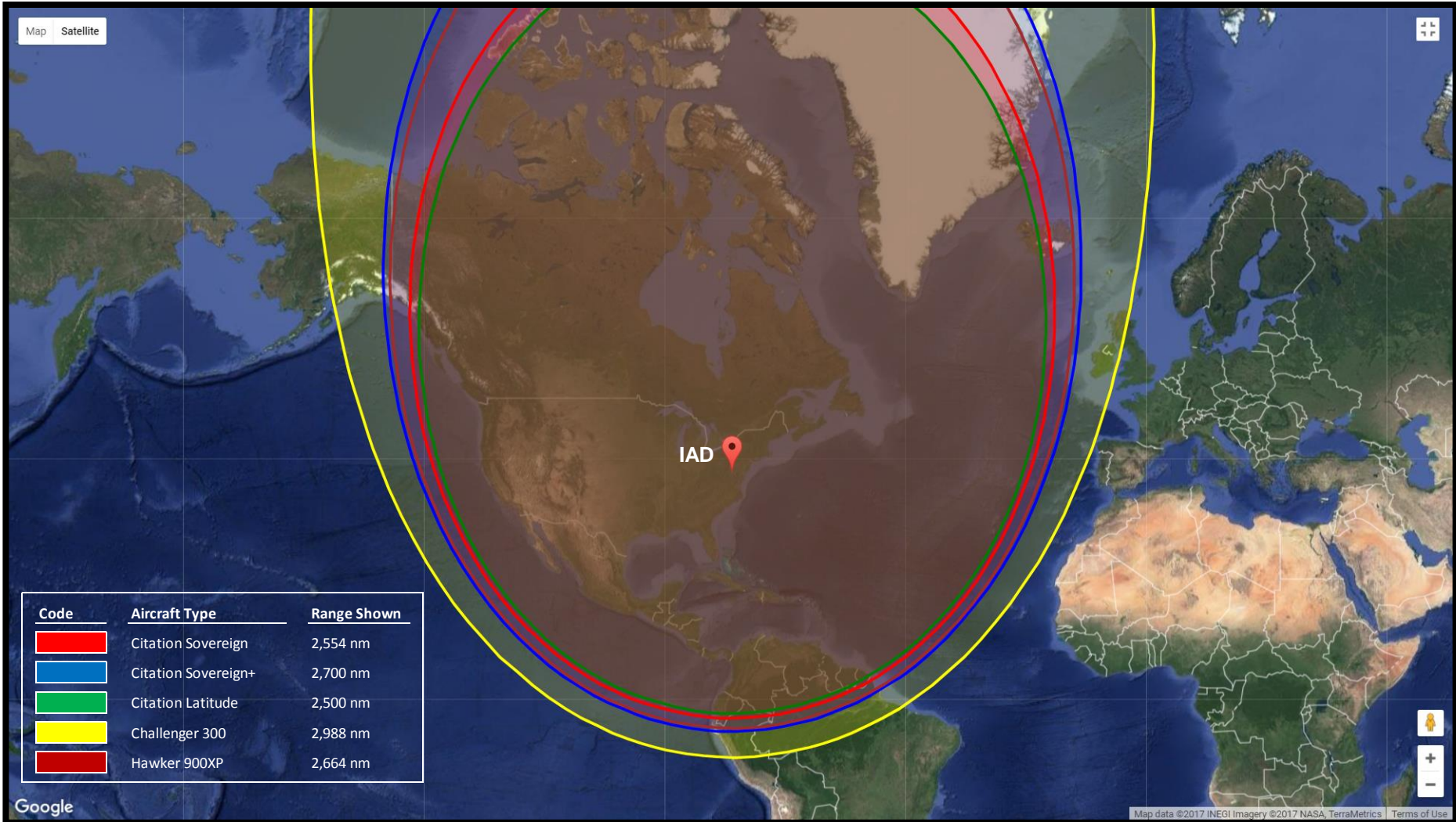
## Non-Stop Range Estimates – Long-Range Scenario

Make	Model	Years Manufactured	# Aircraft in Fleet	# For Sale	% For Sale	Price Range	Dulles (IAD) to Barcelona (LEBL) Non-Stop Probability (8 Pax) - 3,528 nm *	Barcelona (LEBL) to Dulles (IAD) Non-Stop Probability (8 Pax) - 3,528 nm *	Max Range w/ Max Pax (nm) <sup>1</sup>
<b><u>Long-Range Scenario Aircraft</u></b>									
Challenger	604	1996 - 2007	362	32	8.8%	\$3.0 - \$8.0 Million	99%	1%	3,756
Challenger	605	2007 - 2015	287	18	6.3%	\$8.0 - \$16.0 Million	99%	1%	3,756
Falcon	2000EXy	2004 - 2009	104	6	5.8%	\$9.0 - \$13.0 Million	99%	50%	3,878
Falcon	2000LX	2007 - 2013	131	5	3.8%	\$12.0 - \$21.0 Million	99%	50%	3,970
Falcon	900EXy	2003 - 2010	120	7	5.8%	\$11.0 - \$19.0 Million	99%	95%	4,500
Falcon	900LX	2010 - Present	61	8	13.1%	\$21.0 - \$42.0 Million	99%	95%	4,800
Gulfstream	G450	2005 - 2016	351	25	7.1%	\$9.0 - \$25.0 Million	99%	75%	4,070
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <span style="background-color: #e0ffe0; border: 1px solid black; padding: 0 5px;"> </span> = Considered Aircraft         </div>									
<small><sup>1</sup> Performance &amp; operational cost data provided by Conklin &amp; de Decker Cost Evaluator. IAD-LEBL- IAD Non-Stop Probability Estimated.</small>									



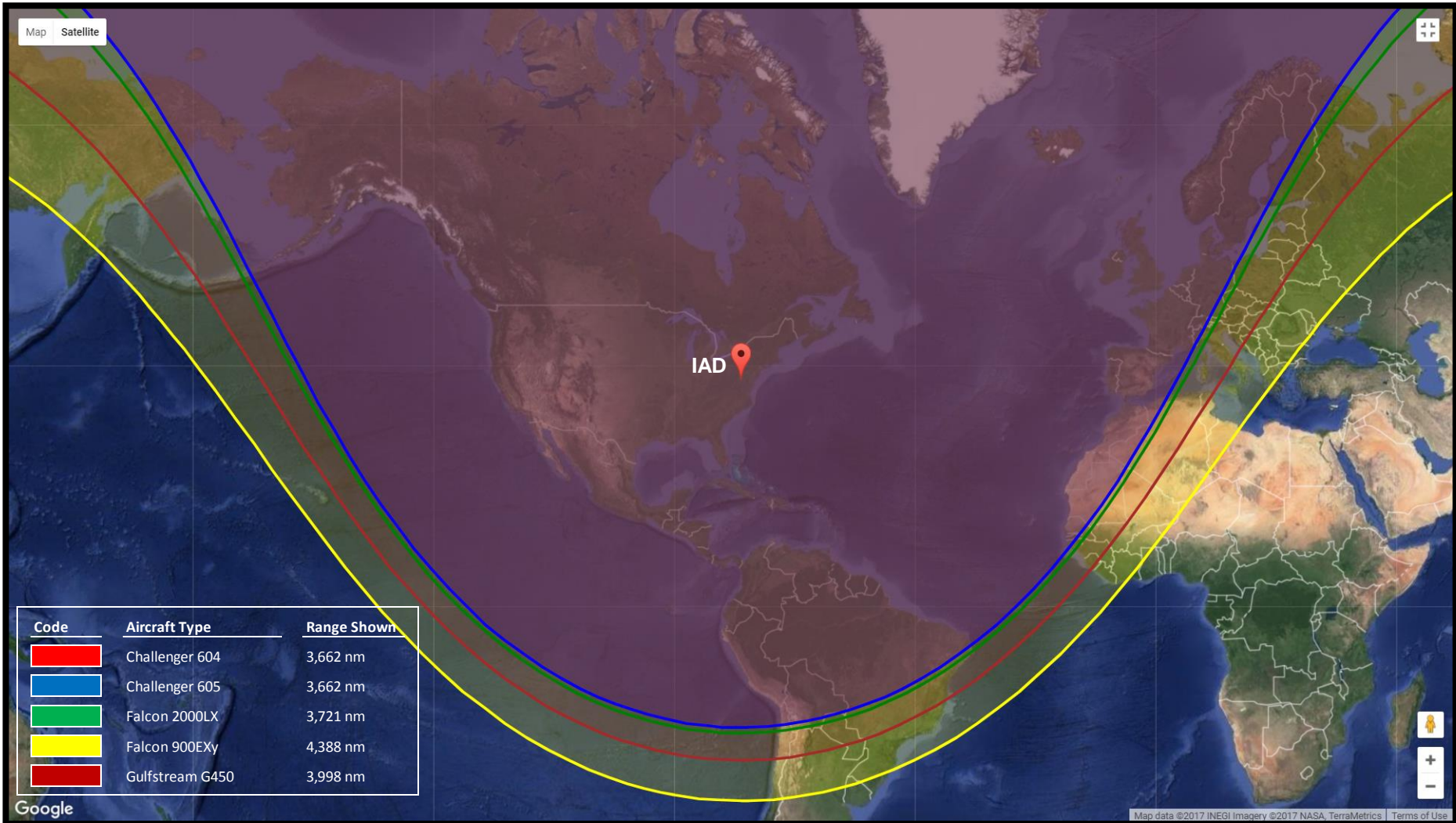
# Range Circles

## Mid-Range Scenario Aircraft



# Range Circles

## Long-Range Scenario Aircraft



# 10 Year NPV Cash Flow Scenarios – Assumptions

## Mid-Range & Long-Range Scenarios

Annual Inflation Rate	3.0%
Weighted Average Cost of Capital (WACC)	9.0%
Annual Market Depreciation Rate	10.0%
Lease Term (Years)	10
Monthly Lease Rate	0.8%
Fuel Cost (\$/Gal) *	\$3.57
Average Trip Length (nm) *	850
Annual Utilization (nm) *	120,000
Hangar Cost *	\$92,000
Aircraft Liability Cost *	\$16,000
Management Fee *	\$60,000
Aircraft Value *	N/A
3x Pilots per Aircraft at Conklin Costs *	N/A
Aircraft Acquisition Cost Assumes NextGen Ready or Includes U/G	N/A

\* Operational cost data provided by Conklin & de Decker w/ exception of following provided by client.

# 10 Year NPV Cash Flow Summary – Mid-Range Scenarios

## Estimated 10-Year Pre-Tax Cost Analysis

<u>Estimated 10-Year Pre-Tax Cost Analysis</u>			<u>10 Year NPV</u>
Mid-Range 1-P:	<i>PURCHASE</i>	2010 Citation Sovereign (\$7.5M Cost)	(\$15,129,354)
Mid-Range 1-L:	<i>LEASE</i>	2010 Citation Sovereign (\$7.5M Cost)	(\$13,973,975)
Mid-Range 2-P:	<i>PURCHASE</i>	2013 Citation Sovereign+ (\$11.0M Cost)	(\$17,632,051)
Mid-Range 2-L:	<i>LEASE</i>	2013 Citation Sovereign+ (\$11.0M Cost)	(\$15,937,496)
Mid-Range 3-P:	<i>PURCHASE</i>	2015 Citation Latitude (\$13.0M Cost)	(\$19,598,577)
Mid-Range 3-L:	<i>LEASE</i>	2015 Citation Latitude (\$13.0M Cost)	(\$17,595,920)
Mid-Range 4-P:	<i>PURCHASE</i>	2012 Challenger 300 (\$12.5M Cost)	(\$20,988,561)
Mid-Range 4-L:	<i>LEASE</i>	2012 Challenger 300 (\$12.5M Cost)	(\$19,062,930)
Mid-Range 5-P:	<i>PURCHASE</i>	2010 Hawker 900XP (\$4.5M Cost)	(\$12,867,963)
Mid-Range 5-L:	<i>LEASE</i>	2010 Hawker 900XP (\$4.5M Cost)	(\$12,174,736)

# 10 Year NPV Cash Flow Summary – Long-Range Scenarios

## Estimated 10-Year Pre-Tax Cost Analysis

<u>Estimated 10-Year Pre-Tax Cost Analysis</u>			<u>10 Year NPV</u>
Long-Range 1-P:	<i>PURCHASE</i>	2005 Challenger 604 (\$7.0M Cost)	(\$17,692,282)
Long-Range 1-L:	<i>LEASE</i>	2005 Challenger 604 (\$7.0M Cost)	(\$16,613,928)
Long-Range 2-P:	<i>PURCHASE</i>	2012 Challenger 605 (\$13.0M Cost)	(\$21,847,711)
Long-Range 2-L:	<i>LEASE</i>	2012 Challenger 605 (\$13.0M Cost)	(\$19,845,054)
Long-Range 3-P:	<i>PURCHASE</i>	2007 Falcon 2000LX (\$12.0M Cost)	(\$20,941,134)
Long-Range 3-L:	<i>LEASE</i>	2007 Falcon 2000LX (\$12.0M Cost)	(\$19,092,528)
Long-Range 4-P:	<i>PURCHASE</i>	2005 Falcon 900EXy (\$13.0M Cost)	(\$23,299,598)
Long-Range 4-L:	<i>LEASE</i>	2005 Falcon 900EXy (\$13.0M Cost)	(\$21,296,942)
Long-Range 5-P:	<i>PURCHASE</i>	2007 Gulfstream G450 (\$11.0M Cost)	(\$22,455,651)
Long-Range 5-L:	<i>LEASE</i>	2007 Gulfstream G450 (\$11.0M Cost)	(\$20,761,096)

# 10 Year NPV Cash Flow Summary – Mid-Range & Long-Range

*Estimated 10-Year Pre-Tax Cost Analysis*

## **PURCHASE & LEASE**

*Detailed Analysis*

# Mid-Range 1-P: PURCHASE

## 2010 Citation Sovereign (\$7.5M Cost)

Mid-Range 1-P: PURCHASE	Estimated 10-Year Pre-Tax Cost Analysis										
2010 Citation Sovereign (\$7.5M Cost)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	N/A
Acquisition Cost & Sale Price at Exit	(\$7,500,000)										\$2,615,088 (\$4,884,912)
Variable Operating Costs - TOTAL	(\$595,928)	(\$613,806)	(\$632,220)	(\$651,187)	(\$670,722)	(\$690,844)	(\$711,569)	(\$732,916)	(\$754,904)	(\$777,551)	(\$6,831,647)
Fixed Operating Costs - TOTAL	(\$702,189)	(\$723,255)	(\$744,952)	(\$767,301)	(\$790,320)	(\$814,030)	(\$838,450)	(\$863,604)	(\$889,512)	(\$916,197)	(\$8,049,810)
<b>Total Annual Costs - TOTAL</b>	<b>(\$8,798,117)</b>	<b>(\$1,337,061)</b>	<b>(\$1,377,172)</b>	<b>(\$1,418,487)</b>	<b>(\$1,461,042)</b>	<b>(\$1,504,873)</b>	<b>(\$1,550,020)</b>	<b>(\$1,596,520)</b>	<b>(\$1,644,416)</b>	<b>\$921,340</b>	<b>(\$19,766,368)</b>
Discounted Cash Flows	(\$8,071,667)	(\$1,125,377)	(\$1,063,430)	(\$1,004,892)	(\$949,577)	(\$897,307)	(\$847,914)	(\$801,240)	(\$757,135)	\$389,184	(\$15,129,354)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$15,129,354)</b>										

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 1-L: LEASE

## 2010 Citation Sovereign (\$7.5M Cost)

Mid-Range 1-L: LEASE 2010 Citation Sovereign (\$7.5M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$7,200,000)
Variable Operating Costs - TOTAL	(\$595,928)	(\$613,806)	(\$632,220)	(\$651,187)	(\$670,722)	(\$690,844)	(\$711,569)	(\$732,916)	(\$754,904)	(\$777,551)	(\$777,551)	(\$6,831,647)
Fixed Operating Costs - TOTAL	(\$702,189)	(\$723,255)	(\$744,952)	(\$767,301)	(\$790,320)	(\$814,030)	(\$838,450)	(\$863,604)	(\$889,512)	(\$916,197)	(\$916,197)	(\$8,049,810)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,018,117)</b>	<b>(\$2,057,061)</b>	<b>(\$2,097,172)</b>	<b>(\$2,138,487)</b>	<b>(\$2,181,042)</b>	<b>(\$2,224,873)</b>	<b>(\$2,270,020)</b>	<b>(\$2,316,520)</b>	<b>(\$2,364,416)</b>	<b>(\$2,413,748)</b>	<b>(\$2,413,748)</b>	<b>(\$22,081,457)</b>
Discounted Cash Flows	(\$1,851,483)	(\$1,731,387)	(\$1,619,402)	(\$1,514,958)	(\$1,417,528)	(\$1,326,619)	(\$1,241,778)	(\$1,162,583)	(\$1,088,643)	(\$1,019,593)	(\$1,019,593)	(\$13,973,975)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$13,973,975)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.



# Mid-Range 2-P: PURCHASE

## 2013 Citation Sovereign+ (\$11.0M Cost)

Mid-Range 2-P: PURCHASE	Estimated 10-Year Pre-Tax Cost Analysis											
2013 Citation Sovereign+ (\$11.0M Cost)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	284	284	284	284	284	284	284	284	284	284	284	N/A
Acquisition Cost & Sale Price at Exit	(\$11,000,000)										\$3,835,463	(\$7,164,537)
Variable Operating Costs - TOTAL	(\$562,118)	(\$578,982)	(\$596,351)	(\$614,242)	(\$632,669)	(\$651,649)	(\$671,198)	(\$691,334)	(\$712,074)	(\$733,436)	(\$733,436)	(\$6,444,053)
Fixed Operating Costs - TOTAL	(\$709,239)	(\$730,516)	(\$752,432)	(\$775,005)	(\$798,255)	(\$822,202)	(\$846,868)	(\$872,275)	(\$898,443)	(\$925,396)	(\$925,396)	(\$8,130,630)
<b>Total Annual Costs - TOTAL</b>	<b>(\$12,271,357)</b>	<b>(\$1,309,498)</b>	<b>(\$1,348,783)</b>	<b>(\$1,389,246)</b>	<b>(\$1,430,924)</b>	<b>(\$1,473,851)</b>	<b>(\$1,518,067)</b>	<b>(\$1,563,609)</b>	<b>(\$1,610,517)</b>	<b>(\$1,610,517)</b>	<b>\$2,176,630</b>	<b>(\$21,739,220)</b>
Discounted Cash Flows	(\$11,258,126)	(\$1,102,178)	(\$1,041,508)	(\$984,177)	(\$930,002)	(\$878,809)	(\$830,434)	(\$784,723)	(\$741,527)	\$919,432	\$919,432	(\$17,632,051)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$17,632,051)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 2-L: LEASE

## 2013 Citation Sovereign+ (\$11.0M Cost)

Mid-Range 2-L: LEASE 2013 Citation Sovereign+ (\$11.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	284	284	284	284	284	284	284	284	284	284	284	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$10,560,000)
Variable Operating Costs - TOTAL	(\$562,118)	(\$578,982)	(\$596,351)	(\$614,242)	(\$632,669)	(\$651,649)	(\$671,198)	(\$691,334)	(\$712,074)	(\$733,436)	(\$733,436)	(\$6,444,053)
Fixed Operating Costs - TOTAL	(\$709,239)	(\$730,516)	(\$752,432)	(\$775,005)	(\$798,255)	(\$822,202)	(\$846,868)	(\$872,275)	(\$898,443)	(\$925,396)	(\$925,396)	(\$8,130,630)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,327,357)</b>	<b>(\$2,365,498)</b>	<b>(\$2,404,783)</b>	<b>(\$2,445,246)</b>	<b>(\$2,486,924)</b>	<b>(\$2,529,851)</b>	<b>(\$2,574,067)</b>	<b>(\$2,619,609)</b>	<b>(\$2,666,517)</b>	<b>(\$2,714,833)</b>	<b>(\$2,714,833)</b>	<b>(\$25,134,683)</b>
Discounted Cash Flows	(\$2,135,190)	(\$1,990,992)	(\$1,856,933)	(\$1,732,274)	(\$1,616,330)	(\$1,508,468)	(\$1,408,103)	(\$1,314,693)	(\$1,227,739)	(\$1,146,775)	(\$1,146,775)	(\$15,937,496)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$15,937,496)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 3-P: PURCHASE

## 2015 Citation Latitude (\$13.0M Cost)

Mid-Range 3-P: PURCHASE 2015 Citation Latitude (\$13.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	294	294	294	294	294	294	294	294	294	294	294	N/A
Acquisition Cost & Sale Price at Exit	(\$13,000,000)										\$4,532,820	(\$8,467,180)
Variable Operating Costs - TOTAL	(\$618,674)	(\$637,234)	(\$656,351)	(\$676,042)	(\$696,323)	(\$717,213)	(\$738,729)	(\$760,891)	(\$783,718)	(\$807,229)	(\$828,788)	(\$8,160,436)
Fixed Operating Costs - TOTAL	(\$711,839)	(\$733,194)	(\$755,190)	(\$777,846)	(\$801,181)	(\$825,216)	(\$849,973)	(\$875,472)	(\$901,736)	(\$928,788)	(\$956,454)	(\$9,452,021)
<b>Total Annual Costs - TOTAL</b>	<b>(\$14,330,513)</b>	<b>(\$1,370,428)</b>	<b>(\$1,411,541)</b>	<b>(\$1,453,887)</b>	<b>(\$1,497,504)</b>	<b>(\$1,542,429)</b>	<b>(\$1,588,702)</b>	<b>(\$1,636,363)</b>	<b>(\$1,685,454)</b>	<b>\$2,796,802</b>	<b>(\$23,720,021)</b>	
Discounted Cash Flows	(\$13,147,260)	(\$1,153,462)	(\$1,089,969)	(\$1,029,971)	(\$973,275)	(\$919,700)	(\$869,074)	(\$821,235)	(\$776,030)	\$1,181,399	(\$19,598,577)	
<b>Net Present Value (Pre-Tax)</b>	<b>(\$19,598,577)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 3-L: LEASE

## 2015 Citation Latitude (\$13.0M Cost)

Mid-Range 3-L: LEASE 2015 Citation Latitude (\$13.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	294	294	294	294	294	294	294	294	294	294	294	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$12,480,000)
Variable Operating Costs - TOTAL	(\$618,674)	(\$637,234)	(\$656,351)	(\$676,042)	(\$696,323)	(\$717,213)	(\$738,729)	(\$760,891)	(\$783,718)	(\$807,229)	(\$830,729)	(\$7,092,404)
Fixed Operating Costs - TOTAL	(\$711,839)	(\$733,194)	(\$755,190)	(\$777,846)	(\$801,181)	(\$825,216)	(\$849,973)	(\$875,472)	(\$901,736)	(\$928,788)	(\$960,436)	(\$8,160,436)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,578,513)</b>	<b>(\$2,618,428)</b>	<b>(\$2,659,541)</b>	<b>(\$2,701,887)</b>	<b>(\$2,745,504)</b>	<b>(\$2,790,429)</b>	<b>(\$2,836,702)</b>	<b>(\$2,884,363)</b>	<b>(\$2,933,454)</b>	<b>(\$2,984,018)</b>	<b>(\$3,034,603)</b>	<b>(\$27,732,840)</b>
Discounted Cash Flows	(\$2,365,608)	(\$2,203,879)	(\$2,053,654)	(\$1,914,085)	(\$1,784,389)	(\$1,663,842)	(\$1,551,773)	(\$1,447,565)	(\$1,350,644)	(\$1,260,481)	(\$1,175,920)	(\$17,595,920)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$17,595,920)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 4-P: PURCHASE

## 2012 Challenger 300 (\$12.5M Cost)

Mid-Range 4-P: PURCHASE 2012 Challenger 300 (\$12.5M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	284	284	284	284	284	284	284	284	284	284	284	N/A
Acquisition Cost & Sale Price at Exit	(\$12,500,000)										\$4,358,481	(\$8,141,519)
Variable Operating Costs - TOTAL	(\$663,177)	(\$683,072)	(\$703,564)	(\$724,671)	(\$746,412)	(\$768,804)	(\$791,868)	(\$815,624)	(\$840,093)	(\$865,296)	(\$865,296)	(\$7,602,581)
Fixed Operating Costs - TOTAL	(\$913,692)	(\$941,103)	(\$969,336)	(\$998,416)	(\$1,028,368)	(\$1,059,219)	(\$1,090,996)	(\$1,123,726)	(\$1,157,438)	(\$1,192,161)	(\$1,192,161)	(\$10,474,455)
<b>Total Annual Costs - TOTAL</b>	<b>(\$14,076,869)</b>	<b>(\$1,624,175)</b>	<b>(\$1,672,900)</b>	<b>(\$1,723,087)</b>	<b>(\$1,774,780)</b>	<b>(\$1,828,023)</b>	<b>(\$1,882,864)</b>	<b>(\$1,939,350)</b>	<b>(\$1,997,530)</b>	<b>\$2,301,024</b>	<b>(\$26,218,555)</b>	
Discounted Cash Flows	(\$12,914,559)	(\$1,367,036)	(\$1,291,786)	(\$1,220,679)	(\$1,153,485)	(\$1,089,991)	(\$1,029,991)	(\$973,294)	(\$919,719)	\$971,977	(\$20,988,561)	
<b>Net Present Value (Pre-Tax)</b>	<b>(\$20,988,561)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 4-L: LEASE

## 2012 Challenger 300 (\$12.5M Cost)

Mid-Range 4-L: LEASE 2012 Challenger 300 (\$12.5M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	284	284	284	284	284	284	284	284	284	284	284	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$12,000,000)
Variable Operating Costs - TOTAL	(\$663,177)	(\$683,072)	(\$703,564)	(\$724,671)	(\$746,412)	(\$768,804)	(\$791,868)	(\$815,624)	(\$840,093)	(\$865,296)	(\$865,296)	(\$7,602,581)
Fixed Operating Costs - TOTAL	(\$913,692)	(\$941,103)	(\$969,336)	(\$998,416)	(\$1,028,368)	(\$1,059,219)	(\$1,090,996)	(\$1,123,726)	(\$1,157,438)	(\$1,192,161)	(\$1,192,161)	(\$10,474,455)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,776,869)</b>	<b>(\$2,824,175)</b>	<b>(\$2,872,900)</b>	<b>(\$2,923,087)</b>	<b>(\$2,974,780)</b>	<b>(\$3,028,023)</b>	<b>(\$3,082,864)</b>	<b>(\$3,139,350)</b>	<b>(\$3,197,530)</b>	<b>(\$3,257,456)</b>	<b>(\$3,257,456)</b>	<b>(\$30,077,036)</b>
Discounted Cash Flows	(\$2,547,586)	(\$2,377,052)	(\$2,218,406)	(\$2,070,789)	(\$1,933,403)	(\$1,805,511)	(\$1,686,432)	(\$1,575,534)	(\$1,472,232)	(\$1,375,985)	(\$1,375,985)	(\$19,062,930)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$19,062,930)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 5-P: PURCHASE

## 2010 Hawker 900XP (\$4.5M Cost)

Mid-Range 5-P: PURCHASE 2010 Hawker 900XP (\$4.5M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	293	293	293	293	293	293	293	293	293	293	293	N/A
Acquisition Cost & Sale Price at Exit	(\$4,500,000)										\$1,569,053	(\$2,930,947)
Variable Operating Costs - TOTAL	(\$601,005)	(\$619,035)	(\$637,606)	(\$656,734)	(\$676,436)	(\$696,730)	(\$717,631)	(\$739,160)	(\$761,335)	(\$784,175)	(\$889,849)	(\$6,889,849)
Fixed Operating Costs - TOTAL	(\$703,919)	(\$725,037)	(\$746,788)	(\$769,191)	(\$792,267)	(\$816,035)	(\$840,516)	(\$865,732)	(\$891,704)	(\$918,455)	(\$8,069,642)	(\$8,069,642)
<b>Total Annual Costs - TOTAL</b>	<b>(\$5,804,924)</b>	<b>(\$1,344,072)</b>	<b>(\$1,384,394)</b>	<b>(\$1,425,926)</b>	<b>(\$1,468,703)</b>	<b>(\$1,512,765)</b>	<b>(\$1,558,147)</b>	<b>(\$1,604,892)</b>	<b>(\$1,653,039)</b>	<b>(\$133,577)</b>	<b>(\$17,890,438)</b>	
Discounted Cash Flows	(\$5,325,618)	(\$1,131,278)	(\$1,069,006)	(\$1,010,162)	(\$954,556)	(\$902,012)	(\$852,360)	(\$805,441)	(\$761,105)	(\$56,424)	(\$12,867,963)	
<b>Net Present Value (Pre-Tax)</b>	<b>(\$12,867,963)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Mid-Range 5-L: LEASE

## 2010 Hawker 900XP (\$4.5M Cost)

Mid-Range 5-L: LEASE 2010 Hawker 900XP (\$4.5M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	284	284	284	284	284	284	284	284	284	284	284	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$432,000)	(\$4,320,000)
Variable Operating Costs - TOTAL	(\$601,005)	(\$619,035)	(\$637,606)	(\$656,734)	(\$676,436)	(\$696,730)	(\$717,631)	(\$739,160)	(\$761,335)	(\$784,175)	(\$818,455)	(\$6,889,849)
Fixed Operating Costs - TOTAL	(\$703,919)	(\$725,037)	(\$746,788)	(\$769,191)	(\$792,267)	(\$816,035)	(\$840,516)	(\$865,732)	(\$891,704)	(\$918,455)	(\$945,210)	(\$8,069,642)
<b>Total Annual Costs - TOTAL</b>	<b>(\$1,736,924)</b>	<b>(\$1,776,072)</b>	<b>(\$1,816,394)</b>	<b>(\$1,857,926)</b>	<b>(\$1,900,703)</b>	<b>(\$1,944,765)</b>	<b>(\$1,990,147)</b>	<b>(\$2,036,892)</b>	<b>(\$2,085,039)</b>	<b>(\$2,134,630)</b>	<b>(\$2,183,690)</b>	<b>(\$19,279,491)</b>
Discounted Cash Flows	(\$1,593,508)	(\$1,494,884)	(\$1,402,589)	(\$1,316,201)	(\$1,235,327)	(\$1,159,600)	(\$1,088,679)	(\$1,022,247)	(\$960,010)	(\$901,691)	(\$848,362)	(\$12,174,736)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$12,174,736)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.



# Long-Range 1-P: PURCHASE

## 2005 Challenger 604 (\$7.0M Cost)

Long-Range 1-P: PURCHASE 2005 Challenger 604 (\$7.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Acquisition Cost & Sale Price at Exit	(\$7,000,000)										\$2,440,749	(\$4,559,251)
Variable Operating Costs - TOTAL	(\$750,141)	(\$772,645)	(\$795,825)	(\$819,699)	(\$844,290)	(\$869,619)	(\$895,708)	(\$922,579)	(\$950,256)	(\$978,764)	(\$978,764)	(\$8,599,526)
Fixed Operating Costs - TOTAL	(\$957,122)	(\$985,836)	(\$1,015,411)	(\$1,045,873)	(\$1,077,249)	(\$1,109,567)	(\$1,142,854)	(\$1,177,139)	(\$1,212,454)	(\$1,248,827)	(\$1,248,827)	(\$10,972,331)
<b>Total Annual Costs - TOTAL</b>	<b>(\$8,707,263)</b>	<b>(\$1,758,481)</b>	<b>(\$1,811,235)</b>	<b>(\$1,865,572)</b>	<b>(\$1,921,540)</b>	<b>(\$1,979,186)</b>	<b>(\$2,038,561)</b>	<b>(\$2,099,718)</b>	<b>(\$2,162,710)</b>	<b>\$213,158</b>	<b>(\$24,131,108)</b>	
Discounted Cash Flows	(\$7,988,315)	(\$1,480,078)	(\$1,398,606)	(\$1,321,619)	(\$1,248,869)	(\$1,180,124)	(\$1,115,163)	(\$1,053,778)	(\$995,772)	\$90,040	(\$17,692,282)	
<b>Net Present Value (Pre-Tax)</b>	<b>(\$17,692,282)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 1-L: LEASE

## 2005 Challenger 604 (\$7.0M Cost)

Long-Range 1-L: LEASE 2005 Challenger 604 (\$7.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$672,000)	(\$6,720,000)
Variable Operating Costs - TOTAL	(\$750,141)	(\$772,645)	(\$795,825)	(\$819,699)	(\$844,290)	(\$869,619)	(\$895,708)	(\$922,579)	(\$950,256)	(\$978,764)	(\$978,764)	(\$8,599,526)
Fixed Operating Costs - TOTAL	(\$957,122)	(\$985,836)	(\$1,015,411)	(\$1,045,873)	(\$1,077,249)	(\$1,109,567)	(\$1,142,854)	(\$1,177,139)	(\$1,212,454)	(\$1,248,827)	(\$1,248,827)	(\$10,972,331)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,379,263)</b>	<b>(\$2,430,481)</b>	<b>(\$2,483,235)</b>	<b>(\$2,537,572)</b>	<b>(\$2,593,540)</b>	<b>(\$2,651,186)</b>	<b>(\$2,710,561)</b>	<b>(\$2,771,718)</b>	<b>(\$2,834,710)</b>	<b>(\$2,899,591)</b>	<b>(\$2,899,591)</b>	<b>(\$26,291,857)</b>
Discounted Cash Flows	(\$2,182,810)	(\$2,045,687)	(\$1,917,513)	(\$1,797,680)	(\$1,685,623)	(\$1,580,815)	(\$1,482,770)	(\$1,391,032)	(\$1,305,179)	(\$1,224,819)	(\$1,224,819)	(\$16,613,928)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$16,613,928)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 2-P: PURCHASE

## 2012 Challenger 605 (\$13.0M Cost)

Long-Range 2-P: PURCHASE 2012 Challenger 605 (\$13.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Acquisition Cost & Sale Price at Exit	(\$13,000,000)										\$4,532,820	(\$8,467,180)
Variable Operating Costs - TOTAL	(\$700,043)	(\$721,044)	(\$742,676)	(\$764,956)	(\$787,905)	(\$811,542)	(\$835,888)	(\$860,965)	(\$886,794)	(\$913,397)	(\$913,397)	(\$8,025,208)
Fixed Operating Costs - TOTAL	(\$942,622)	(\$970,901)	(\$1,000,028)	(\$1,030,029)	(\$1,060,929)	(\$1,092,757)	(\$1,125,540)	(\$1,159,306)	(\$1,194,085)	(\$1,229,908)	(\$1,229,908)	(\$10,806,105)
<b>Total Annual Costs - TOTAL</b>	<b>(\$14,642,665)</b>	<b>(\$1,691,945)</b>	<b>(\$1,742,703)</b>	<b>(\$1,794,984)</b>	<b>(\$1,848,834)</b>	<b>(\$1,904,299)</b>	<b>(\$1,961,428)</b>	<b>(\$2,020,271)</b>	<b>(\$2,080,879)</b>	<b>(\$2,080,879)</b>	<b>\$2,389,514</b>	<b>(\$27,298,494)</b>
Discounted Cash Flows	(\$13,433,638)	(\$1,424,076)	(\$1,345,687)	(\$1,271,612)	(\$1,201,615)	(\$1,135,471)	(\$1,072,968)	(\$1,013,906)	(\$958,094)	(\$958,094)	\$1,009,357	(\$21,847,711)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$21,847,711)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 2-L: LEASE

## 2012 Challenger 605 (\$13.0M Cost)

Long-Range 2-L: LEASE 2012 Challenger 605 (\$13.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$12,480,000)
Variable Operating Costs - TOTAL	(\$700,043)	(\$721,044)	(\$742,676)	(\$764,956)	(\$787,905)	(\$811,542)	(\$835,888)	(\$860,965)	(\$886,794)	(\$913,397)	(\$913,397)	(\$8,025,208)
Fixed Operating Costs - TOTAL	(\$942,622)	(\$970,901)	(\$1,000,028)	(\$1,030,029)	(\$1,060,929)	(\$1,092,757)	(\$1,125,540)	(\$1,159,306)	(\$1,194,085)	(\$1,229,908)	(\$1,229,908)	(\$10,806,105)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,890,665)</b>	<b>(\$2,939,945)</b>	<b>(\$2,990,703)</b>	<b>(\$3,042,984)</b>	<b>(\$3,096,834)</b>	<b>(\$3,152,299)</b>	<b>(\$3,209,428)</b>	<b>(\$3,268,271)</b>	<b>(\$3,328,879)</b>	<b>(\$3,391,305)</b>	<b>(\$3,391,305)</b>	<b>(\$31,311,313)</b>
Discounted Cash Flows	(\$2,651,986)	(\$2,474,493)	(\$2,309,372)	(\$2,155,727)	(\$2,012,730)	(\$1,879,613)	(\$1,755,667)	(\$1,640,235)	(\$1,532,708)	(\$1,432,524)	(\$1,432,524)	(\$19,845,054)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$19,845,054)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 3-P: PURCHASE

## 2007 Falcon 2000LX (\$12.0M Cost)

Long-Range 3-P: PURCHASE 2007 Falcon 2000LX (\$12.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Acquisition Cost & Sale Price at Exit	(\$12,000,000)										\$4,184,141	(\$7,815,859)
Variable Operating Costs - TOTAL	(\$686,308)	(\$706,897)	(\$728,104)	(\$749,947)	(\$772,446)	(\$795,619)	(\$819,488)	(\$844,072)	(\$869,394)	(\$895,476)	(\$895,476)	(\$7,867,752)
Fixed Operating Costs - TOTAL	(\$937,422)	(\$965,545)	(\$994,511)	(\$1,024,346)	(\$1,055,077)	(\$1,086,729)	(\$1,119,331)	(\$1,152,911)	(\$1,187,498)	(\$1,223,123)	(\$1,223,123)	(\$10,746,493)
<b>Total Annual Costs - TOTAL</b>	<b>(\$13,623,730)</b>	<b>(\$1,672,442)</b>	<b>(\$1,722,615)</b>	<b>(\$1,774,294)</b>	<b>(\$1,827,522)</b>	<b>(\$1,882,348)</b>	<b>(\$1,938,819)</b>	<b>(\$1,996,983)</b>	<b>(\$2,056,893)</b>	<b>\$2,065,542</b>	<b>\$2,065,542</b>	<b>(\$26,430,103)</b>
Discounted Cash Flows	(\$12,498,835)	(\$1,407,661)	(\$1,330,175)	(\$1,256,954)	(\$1,187,764)	(\$1,122,383)	(\$1,060,600)	(\$1,002,218)	(\$947,050)	\$872,507	\$872,507	(\$20,941,134)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$20,941,134)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 3-L: LEASE

## 2007 Falcon 2000LX (\$12.0M Cost)

Long-Range 3-L: LEASE 2007 Falcon 2000LX (\$12.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$1,152,000)	(\$11,520,000)
Variable Operating Costs - TOTAL	(\$686,308)	(\$706,897)	(\$728,104)	(\$749,947)	(\$772,446)	(\$795,619)	(\$819,488)	(\$844,072)	(\$869,394)	(\$895,476)	(\$895,476)	(\$7,867,752)
Fixed Operating Costs - TOTAL	(\$937,422)	(\$965,545)	(\$994,511)	(\$1,024,346)	(\$1,055,077)	(\$1,086,729)	(\$1,119,331)	(\$1,152,911)	(\$1,187,498)	(\$1,223,123)	(\$1,223,123)	(\$10,746,493)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,775,730)</b>	<b>(\$2,824,442)</b>	<b>(\$2,874,615)</b>	<b>(\$2,926,294)</b>	<b>(\$2,979,522)</b>	<b>(\$3,034,348)</b>	<b>(\$3,090,819)</b>	<b>(\$3,148,983)</b>	<b>(\$3,208,893)</b>	<b>(\$3,270,599)</b>	<b>(\$3,270,599)</b>	<b>(\$30,134,245)</b>
Discounted Cash Flows	(\$2,546,541)	(\$2,377,276)	(\$2,219,730)	(\$2,073,060)	(\$1,936,485)	(\$1,809,283)	(\$1,690,784)	(\$1,580,368)	(\$1,477,463)	(\$1,381,537)	(\$1,381,537)	(\$19,092,528)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$19,092,528)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 4-P: PURCHASE

## 2005 Falcon 900EXy (\$13.0M Cost)

Long-Range 4-P: PURCHASE 2005 Falcon 900EXy (\$13.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Acquisition Cost & Sale Price at Exit	(\$13,000,000)										\$4,532,820	(\$8,467,180)
Variable Operating Costs - TOTAL	(\$869,167)	(\$895,242)	(\$922,099)	(\$949,762)	(\$978,255)	(\$1,007,603)	(\$1,037,831)	(\$1,068,966)	(\$1,101,035)	(\$1,134,066)	(\$1,177,305)	(\$9,964,026)
Fixed Operating Costs - TOTAL	(\$975,002)	(\$1,004,252)	(\$1,034,380)	(\$1,065,411)	(\$1,097,373)	(\$1,130,295)	(\$1,164,203)	(\$1,199,129)	(\$1,235,103)	(\$1,272,156)	(\$1,311,177)	(\$11,177,305)
<b>Total Annual Costs - TOTAL</b>	<b>(\$14,844,169)</b>	<b>(\$1,899,494)</b>	<b>(\$1,956,479)</b>	<b>(\$2,015,173)</b>	<b>(\$2,075,628)</b>	<b>(\$2,137,897)</b>	<b>(\$2,202,034)</b>	<b>(\$2,268,095)</b>	<b>(\$2,336,138)</b>	<b>\$2,126,597</b>	<b>(\$29,608,511)</b>	
Discounted Cash Flows	(\$13,618,504)	(\$1,598,766)	(\$1,510,761)	(\$1,427,600)	(\$1,349,016)	(\$1,274,758)	(\$1,204,588)	(\$1,138,281)	(\$1,075,623)	\$898,298	(\$23,299,598)	
<b>Net Present Value (Pre-Tax)</b>	<b>(\$23,299,598)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 4-L: LEASE

## 2005 Falcon 900EXy (\$13.0M Cost)

Long-Range 4-L: LEASE 2005 Falcon 900EXy (\$13.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$1,248,000)	(\$12,480,000)
Variable Operating Costs - TOTAL	(\$869,167)	(\$895,242)	(\$922,099)	(\$949,762)	(\$978,255)	(\$1,007,603)	(\$1,037,831)	(\$1,068,966)	(\$1,101,035)	(\$1,134,066)	(\$1,177,305)	(\$9,964,026)
Fixed Operating Costs - TOTAL	(\$975,002)	(\$1,004,252)	(\$1,034,380)	(\$1,065,411)	(\$1,097,373)	(\$1,130,295)	(\$1,164,203)	(\$1,199,129)	(\$1,235,103)	(\$1,272,156)	(\$1,311,177)	(\$11,177,305)
<b>Total Annual Costs - TOTAL</b>	<b>(\$3,092,169)</b>	<b>(\$3,147,494)</b>	<b>(\$3,204,479)</b>	<b>(\$3,263,173)</b>	<b>(\$3,323,628)</b>	<b>(\$3,385,897)</b>	<b>(\$3,450,034)</b>	<b>(\$3,516,095)</b>	<b>(\$3,584,138)</b>	<b>(\$3,654,222)</b>	<b>(\$3,721,331)</b>	<b>(\$33,621,331)</b>
Discounted Cash Flows	(\$2,836,852)	(\$2,649,183)	(\$2,474,446)	(\$2,311,714)	(\$2,160,130)	(\$2,018,900)	(\$1,887,287)	(\$1,764,610)	(\$1,650,237)	(\$1,543,583)	(\$1,443,942)	(\$21,296,942)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$21,296,942)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.



# Long-Range 5-P: PURCHASE

## 2007 Gulfstream G450 (\$11.0M Cost)

Long-Range 5-P: PURCHASE 2007 Gulfstream G450 (\$11.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Acquisition Cost & Sale Price at Exit	(\$11,000,000)										\$3,835,463	(\$7,164,537)
Variable Operating Costs - TOTAL	(\$935,631)	(\$963,700)	(\$992,611)	(\$1,022,389)	(\$1,053,061)	(\$1,084,653)	(\$1,117,192)	(\$1,150,708)	(\$1,185,229)	(\$1,220,786)	(\$1,275,961)	(\$10,725,961)
Fixed Operating Costs - TOTAL	(\$1,005,182)	(\$1,035,337)	(\$1,066,398)	(\$1,098,390)	(\$1,131,341)	(\$1,165,281)	(\$1,200,240)	(\$1,236,247)	(\$1,273,334)	(\$1,311,535)	(\$1,523,285)	(\$11,523,285)
<b>Total Annual Costs - TOTAL</b>	<b>(\$12,940,813)</b>	<b>(\$1,999,037)</b>	<b>(\$2,059,009)</b>	<b>(\$2,120,779)</b>	<b>(\$2,184,402)</b>	<b>(\$2,249,934)</b>	<b>(\$2,317,432)</b>	<b>(\$2,386,955)</b>	<b>(\$2,458,564)</b>	<b>\$1,303,142</b>	<b>(\$29,413,783)</b>	
Discounted Cash Flows	(\$11,872,306)	(\$1,682,550)	(\$1,589,932)	(\$1,502,413)	(\$1,419,712)	(\$1,341,562)	(\$1,267,715)	(\$1,197,932)	(\$1,131,991)	\$550,461	(\$22,455,651)	
<b>Net Present Value (Pre-Tax)</b>	<b>(\$22,455,651)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# Long-Range 5-L: LEASE

## 2007 Gulfstream G450 (\$11.0M Cost)

Long-Range 5-L: LEASE 2007 Gulfstream G450 (\$11.0M Cost)	Estimated 10-Year Pre-Tax Cost Analysis											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL	
Annual Utilization (nm)	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	N/A
Annual Flight Hours - Part 91 (Internal)	287	287	287	287	287	287	287	287	287	287	287	N/A
Annual Lease Rate & \$0 Cost at Exit	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$1,056,000)	(\$10,560,000)
Variable Operating Costs - TOTAL	(\$935,631)	(\$963,700)	(\$992,611)	(\$1,022,389)	(\$1,053,061)	(\$1,084,653)	(\$1,117,192)	(\$1,150,708)	(\$1,185,229)	(\$1,220,786)	(\$1,275,961)	(\$10,725,961)
Fixed Operating Costs - TOTAL	(\$1,005,182)	(\$1,035,337)	(\$1,066,398)	(\$1,098,390)	(\$1,131,341)	(\$1,165,281)	(\$1,200,240)	(\$1,236,247)	(\$1,273,334)	(\$1,311,535)	(\$1,352,285)	(\$11,523,285)
<b>Total Annual Costs - TOTAL</b>	<b>(\$2,996,813)</b>	<b>(\$3,055,037)</b>	<b>(\$3,115,009)</b>	<b>(\$3,176,779)</b>	<b>(\$3,240,402)</b>	<b>(\$3,305,934)</b>	<b>(\$3,373,432)</b>	<b>(\$3,442,955)</b>	<b>(\$3,514,564)</b>	<b>(\$3,588,321)</b>	<b>(\$3,671,546)</b>	<b>(\$32,809,246)</b>
Discounted Cash Flows	(\$2,749,370)	(\$2,571,364)	(\$2,405,358)	(\$2,250,510)	(\$2,106,039)	(\$1,971,221)	(\$1,845,383)	(\$1,727,903)	(\$1,618,203)	(\$1,515,745)	(\$1,423,996)	(\$20,761,096)
<b>Net Present Value (Pre-Tax)</b>	<b>(\$20,761,096)</b>											

NOTE: Operational cost data provided by Conklin & de Decker. Fuel = \$3.57/gal.

# LEAS Disclaimer

## Disclaimer:

The views and opinions expressed herein are those of Leading Edge Aviation Solutions, LLC and do not necessarily reflect any specific actual transaction or sale price. Examples and the analysis performed within this report are only examples. They should not be used in real-world analytic reliance and are based only on the limited open sourced public information. Assumptions made within the analysis are only the opinions of Leading Edge Aviation Solutions, LLC and are not representative of any other entity or organization.