

(Per Hour Estimates Based on 200 Hours of Use Per Year)

ACQUISITION EXPENSES (based on 5 year ownership)	
Purchase Price of Aircraft	\$895,000.00
Estimated Resale Value	\$795,000.00
Refurbishment Cost (Paint and Interior)	\$35,000.00
TOTAL Per Hour ASSET Expense	\$135.00

FIXED ANNUAL EXPENSES	
Hangar Rental (\$600 per month for 12 Months)	\$7,200.00
Insurance - Hull	\$15,000.00
Insurance - Liability	\$8,000.00
Flight Crew - Pilot	\$70,000.00
Copilot	\$0.00
Recurrent Pilot Training	\$3,500.00
TOTAL Per Hour FIXED Expense	\$518.50

VARIABLE COSTS (per hour)	
Fuel (100 gallon per hour at \$4.5 per gallon)	\$450.00
Inspection and Maintenance (\$35000 per year divided by 200)	\$175.00
Engine Overhaul and Reserves ((\$300000 times 2) divided by 3600)	\$166.67
Propeller Overhaul ((\$17000 times 2) divided by 3600)	\$9.44
Avionics Maintenance	\$20.00
TOTAL Per Hour VARIABLE Expense	\$821.11

TOTAL OPERATIONAL COST PER HOUR	\$1,474.61
TOTAL MILES PER YEAR (325 miles per hour)	65,000
OPERATIONAL COST PER MILE	\$4.54
OPERATIONAL COST PER SEAT PER HOUR (10 seats)	\$147.46
OPERATIONAL COST PER SEAT PER MILE (10 seats)	\$0.45

REMARKS

--