

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

ACQUISITION EXPENSES (based on 5 year ownership)	
Purchase Price of Aircraft	\$300,000.00
Estimated Resale Value	\$250,000.00
Refurbishment Cost (Paint and Interior)	\$15,000.00
TOTAL Per Hour ASSET Expense	\$65.00

FIXED ANNUAL EXPENSES	
Hangar Rental (\$300 per month for 12 Months)	\$3,600.00
Insurance - Hull	\$4,500.00
Insurance - Liability	\$2,000.00
Flight Crew - Pilot Copilot	\$50,000.00
Recurrent Pilot Training	\$1,500.00
TOTAL Per Hour FIXED Expense	\$308.00

VARIABLE COSTS (per hour)	
Fuel (40 gallon per hour at \$5 per gallon)	\$200.00
Inspection and Maintenance (\$22000 per year divided by 200)	\$110.00
Engine Overhaul and Reserves ((\$40000 times 2) divided by 3600)	\$22.22
Propeller Overhaul ((\$8500 times 2) divided by 3600)	\$4.72
Avionics Maintenance	\$10.00
TOTAL Per Hour VARIABLE Expense	\$346.94

TOTAL OPERATIONAL COST PER HOUR	\$719.94
TOTAL MILES PER YEAR (225 miles per hour)	45,000
OPERATIONAL COST PER MILE	\$3.20
OPERATIONAL COST PER SEAT PER HOUR (7 seats)	\$102.85
OPERATIONAL COST PER SEAT PER MILE (7 seats)	\$0.46

REMARKS