

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

ACQUISITION EXPENSES (based on 5 year ownership)	
Purchase Price of Aircraft	\$399,000.00
Estimated Resale Value	\$350,000.00
Refurbishment Cost (Paint and Interior)	\$25,000.00
TOTAL Per Hour ASSET Expense	\$74.00

FIXED ANNUAL EXPENSES	
Hangar Rental (\$500 per month for 12 Months)	\$6,000.00
Insurance - Hull	\$4,500.00
Insurance - Liability	\$3,000.00
Flight Crew - Pilot	\$65,000.00
Copilot	\$0.00
Recurrent Pilot Training	\$4,000.00
TOTAL Per Hour FIXED Expense	\$412.50

VARIABLE COSTS (per hour)	
Fuel (185 gallon per hour at \$2.85 per gallon)	\$527.25
Inspection and Maintenance (\$30000 per year divided by 200)	\$150.00
Engine Overhaul and Reserves ((\$250000 times 2) divided by 3500)	\$142.86
Propeller Overhaul ((\$0.1 times 2) divided by 0.1)	\$2.00
Avionics Maintenance	\$20.00
TOTAL Per Hour VARIABLE Expense	\$842.11

TOTAL OPERATIONAL COST PER HOUR	\$1,328.61
TOTAL MILES PER YEAR (370 miles per hour)	74,000
OPERATIONAL COST PER MILE	\$3.59
OPERATIONAL COST PER SEAT PER HOUR (7 seats)	\$189.80
OPERATIONAL COST PER SEAT PER MILE (7 seats)	\$0.51

REMARKS