Aeronautical Systems, Inc.

Aircraft Appraisals, Financial & Technical Consultants

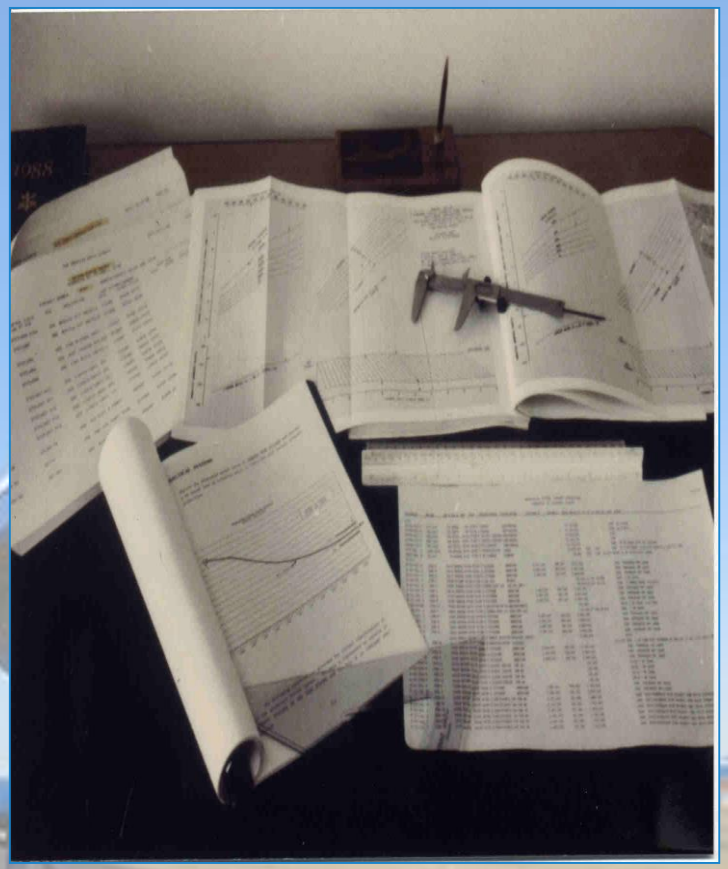
Aircraft Valuations and Future Value Forecasting (Residual)

US SCHOOL OF CORPORATE JET FINANCE

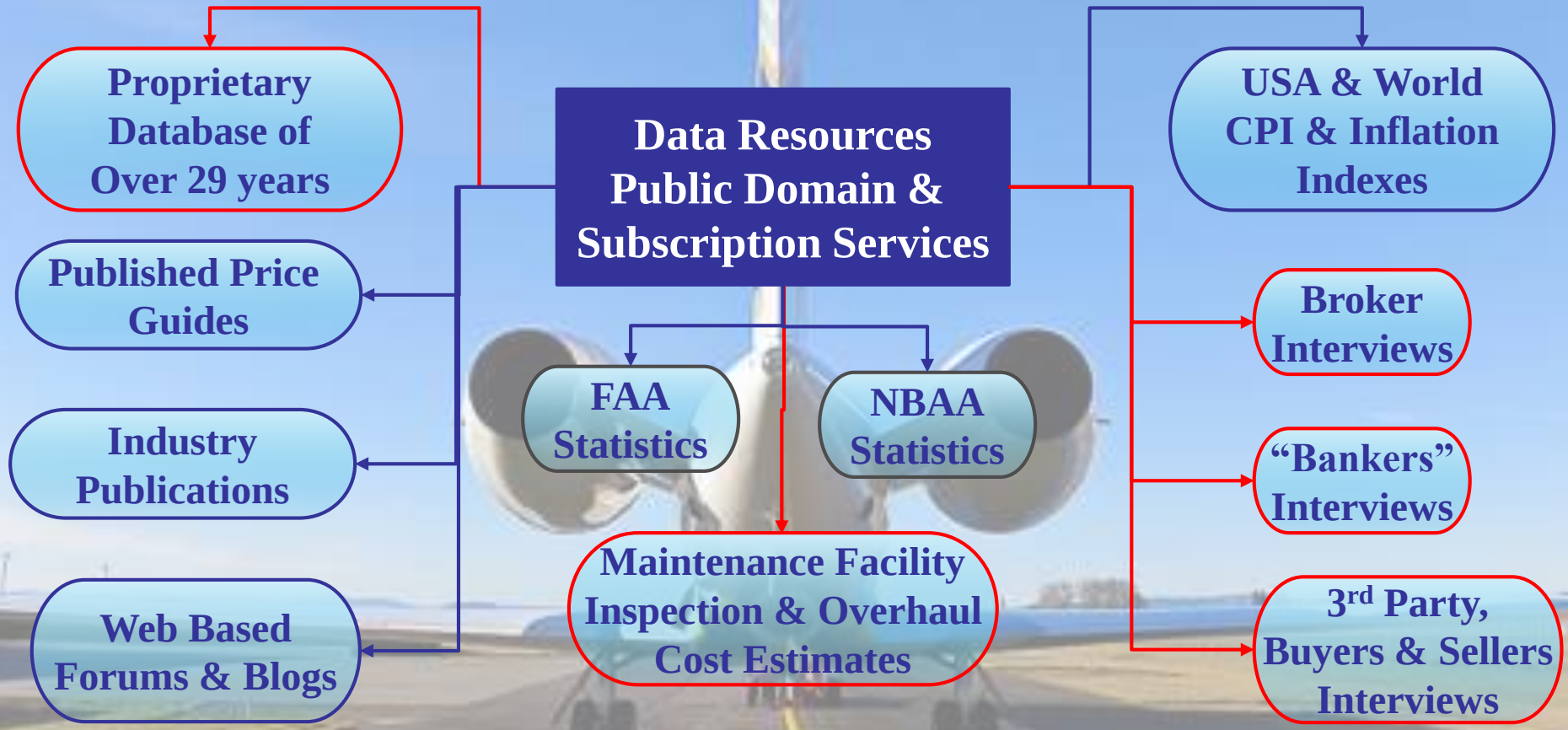
October 20, 2015

Basic Appraisal Considerations

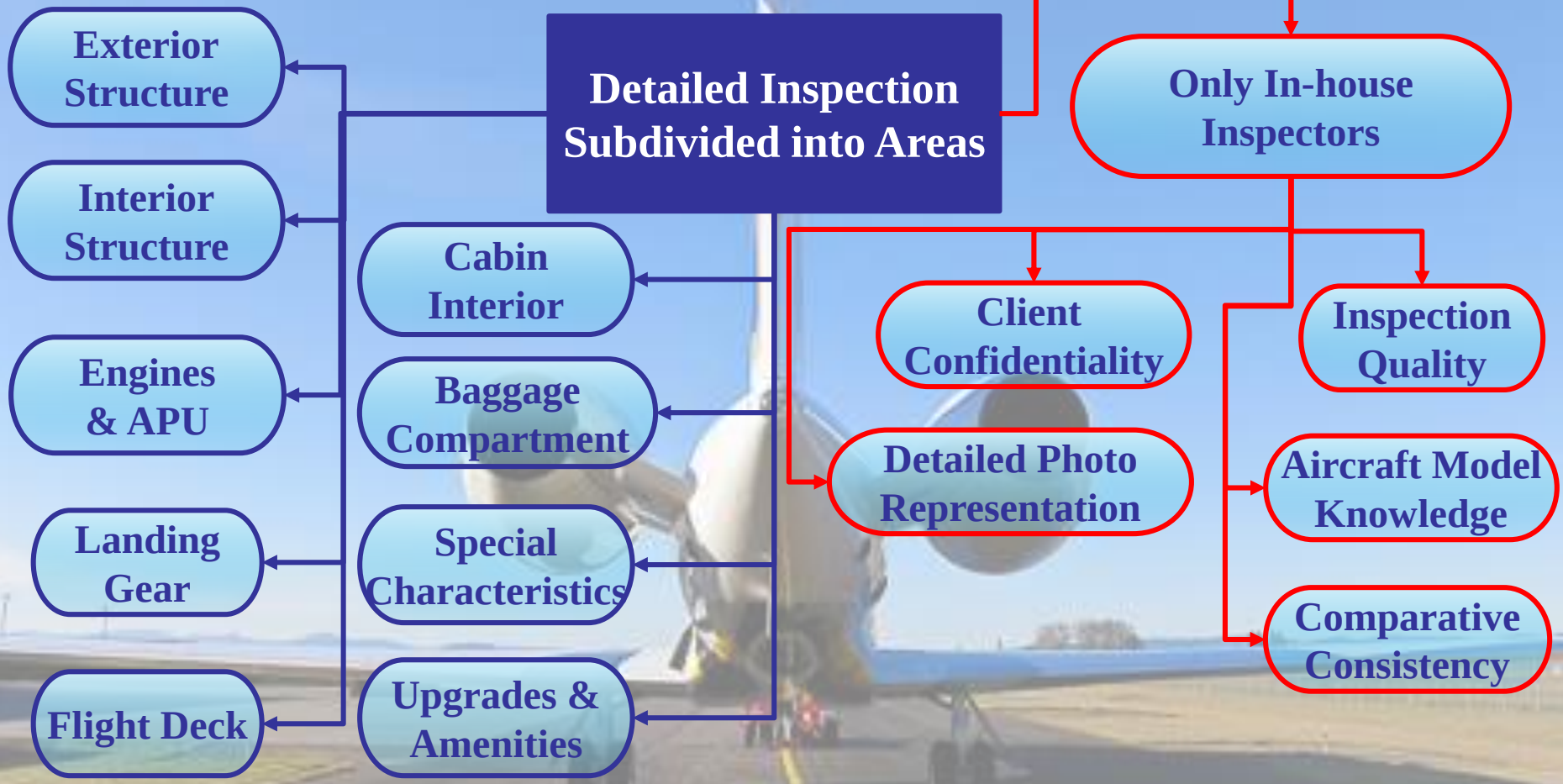
- Actual or Hypothetical
- Marketplace Trade
  - Retail
  - Wholesale / Orderly Liquidation
  - Forced Liquidation
  - Salvage (Scrap)
- Retrospective, Current, Future (Residual) Value Analyses.
- Restoration Cost Analyses
- Diminution of Value Analyses



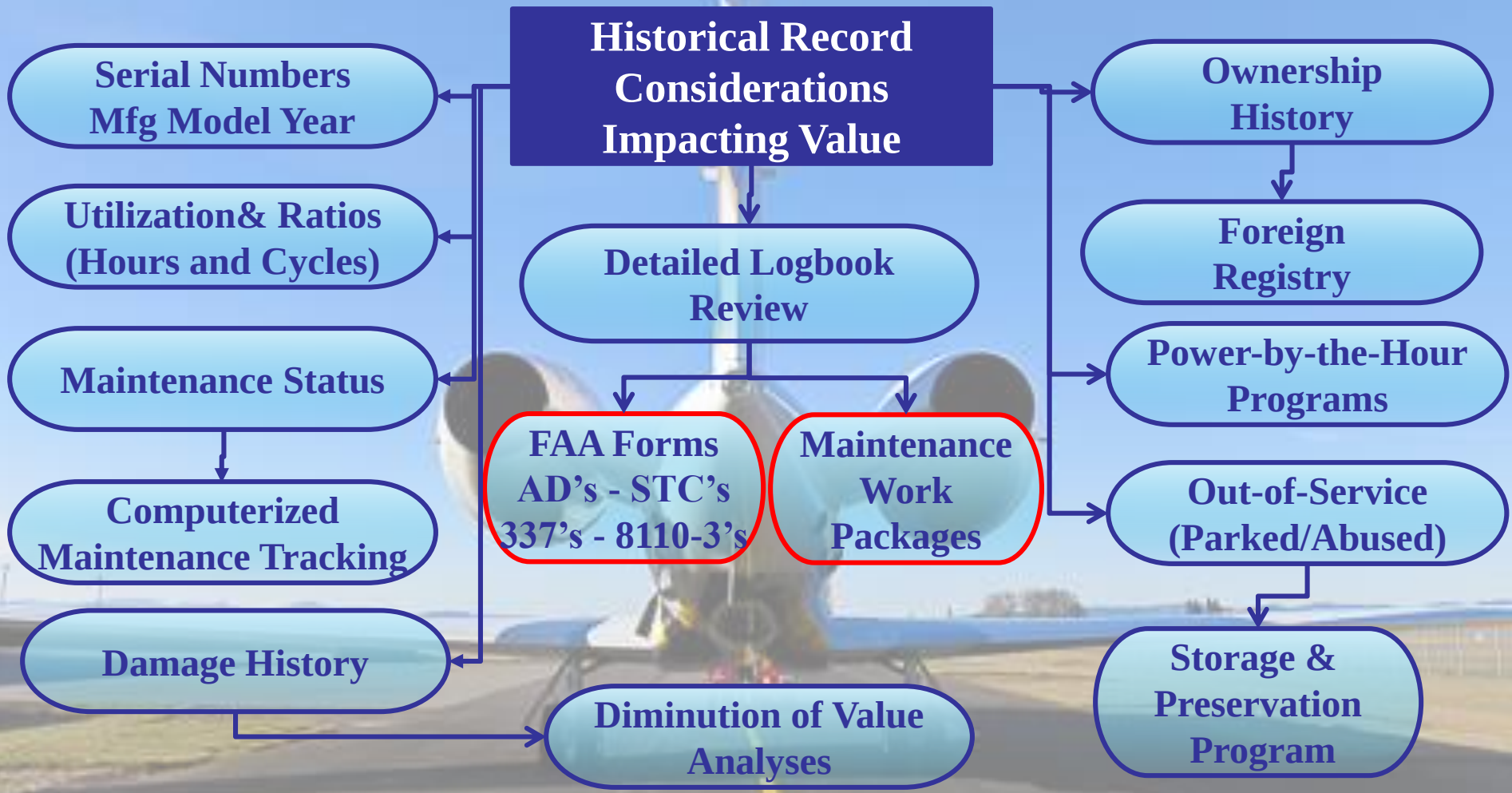
Step 1 in the Appraisal Process



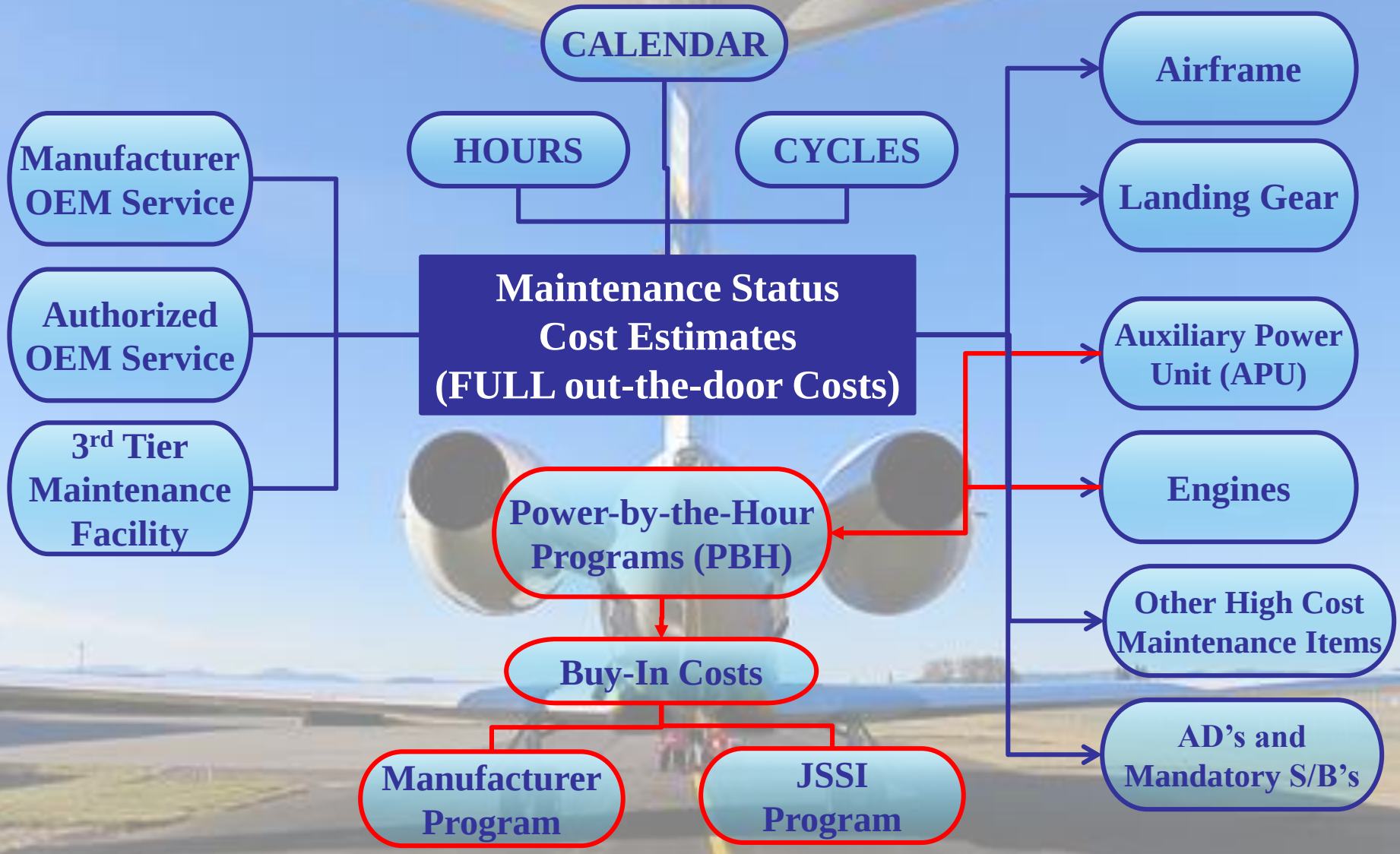
Step 2 – Physical Inspection Standards



Step 3 – Historical Record Review Standards



Step 4 - Maintenance Adjustment Considerations



Fair Market Value Summary

FAIR MARKET VALUE SUMMARY

Analysis Date	November 13, 2012	Registration No.	N123ASI		
Date of Mfg	2004 / 2005	Serial No.	789		
Model	GULFSTREAM	Other No.	---		
Manufacturer	G550 (GV-SP)	Aircraft Age:	7.8		
In-Service Date	Effective Date	Days Since	Months Since		
01/01/05	11/01/12	2861	94.0		
	Base 1/2 Time Fair Market Value		$ 33,625,000		
	Adjustment to Average '5' P&I		$ (448,000)	$ 33,177,000	
	Comparative Analysis Adjustments	-2.595%	$ (861,000)		
	Other Market Adjustments		$ -		
	BASE 1/2 TIME SUBTOTAL			$ 32,316,000	
PLUS	Lower than Ind Avg Hourly Utilization		$ 138,000		
	Lower than Industry Average Cycle Utilization		$ -		
	Better than Average Physical Condition (Assumed)		$ -		
	Better than Average Physical Condition (Actual)		$ 365,000		
	FAR Part 135 Compliancy	NO	$ -		
	Enrolled H.A.P.P. Avionics Program	YES	$ 100,000		
	APU enrolled on MSP		$ 40,000		
	Powered window shades & club seat tables		$ 75,000		
	High speed (BBML) wireless LAN internet		$ 420,000	$ 1,138,000	
MINUS	Higher than Ind Avg Hourly Utilization		$ -		
	Higher than Industry Average Cycle Utilization		$ (126,000)		
	Worse than Average Physical Condition (Assumed)		$ -		
	Worse than Average Physical Condition (Actual)		$ -		
	Incident / Damage History of Subject Subtotal		$ (171,000)		
	Fractional History or Other of Subject Subtotal		$ -		
	Foreign Registry History of Subject Subtotal		$ -		
	Historical Record Errors and/or Omissions		$ -		
	Less market desirable cloth fabric seatcovers		$ (50,000)	$ (347,000)	
	MAINTENANCE ADJUSTMENTS		Subject Subtotal	$ 33,107,000	
	12 Month Inspection		$ 3,000		
	500 Hour Inspection		$ 8,550		
	24 Month Inspection		$ (20,833)		
	48 Month Inspection		$ (41,667)		
	72 Month Inspection		$ 16,667		
	96 Month Inspection		$ (120,833)		
	144 Month Inspection		$ (49,479)		
	0		$ -		
	0		$ -		
	0		$ -		
	Nose Ldg Gear Overhaul - Maturing to 1/2 time		$ -		
	Left Main Ldg Gear Overhaul - Maturing to 1/2 time		$ -		
	Right Main Ldg Gear Overhaul - Maturing to 1/2 time		$ -		
	Engine #1 Overhaul -on CorporateCare		$ -		
	Engine #1 Mid-Life Inspection -on CorporateCare		$ -		
	0		$ -		
	0		$ -		
	Engine #2 Overhaul -on CorporateCare		$ -		
	Engine #2 Mid-Life Inspection -on CorporateCare		$ -		
	0		$ -		
	0		$ -		
	0		$ -		
	APU Zonal Inspection - on MSP		$ -		
	0		$ -		
	Subtotal Maintenance (rounded)		$ (204,595)	$ (205,000)	
	Estimated Fair Market Value		$	77,777,000	

Analysis Ordered By	John Q. Banker / WORLD'S BEST BANKING & FINANCE		
Owner/Operator	Wright Brother's Aviation, LLC		
Appraiser	Joseph Zulueta, ASA		
Inspector	Randolph De Long, ASA		
Airframe Total Times	3000		
Airframe Total Cycles	2000		
Paint & Interior Adjustment to Average			
Paint	197,000		
Full-Interior	923,000	Minus 4 from 9	
	1,120,000	$ (448,000)	
Per adj paint	$ 19,700	Adj for Paint	
Cond fm avg		$ -	
Per adj intr	$ 92,300	Adj for Interior	
Cond fm avg		$ -	

Base Aircraft Includes

Honeywell Primus Epic EFIS avionics, HUD, EVS, Satcom, RVSM, TAWS A, TCAS II, Engines enrolled on CorporateCare, Like New Paint & Interior and No Damage History. Note: Valuation 1 includes 'fresh inspections'

Other Notes: AIRCRAFT MANUFACTURED DECEMBER 2004, WITH DELIVERY / IN-SERVICE AUGUST 2005, THEREFORE A 2004 / 2005 HYBRID AIRCRAFT.

# Manufactured	JetNet # Market	% on Market
367	17	5%
+/- 2 yr(s) Mfg	+/- 2 yr(s) # Market	+/- 2 yr(s) % Market
130	9	7%
Demand	Average Days Market	Avg Months Market
B	173	5.8
Valuation 1	$ 35,000,000	QTR 3-12
Valuation 2	$ 33,000,000	QTR 3-12
Hybrid Adjustmt	$ 625,000	
Most Probable	$ 33,625,000	Current
Incident/Damage History Adj.		$ (171,000)
Fractional History or Other Adj.		$ -
Foreign Registry History Adj.		$ -
Fleet Average Utilization per Year		438
Avg Hourly Utilization from D.O.M.		3431
Average Hour / Cycle Ratio (range)		Subject Hr/Cy Ratio
2.50	2.50	1.50
Average Cy Utilization D.O.M. (range)		
1372	1372	
Fleet Average Utilization per Month		36.5

Lower than Industry Average Utilization

Adj Subject Fleet Average for DOM	3431
Subject Aircraft	3000
	431
Hybrid - Per Hour Adjustment	$ 640.75
	$ 276,163.25
Low Time = 13%	$ 138,000.00

Higher than Industry Average Utilization

Adj Subject Fleet Average for DOM	3431
Subject Aircraft	3000
	431
Hybrid - Per Hour Adjustment	$ 640.75
High Time = 0%	$ 276,000.00

11/1/2012 VALUATION EFFECTIVE DATE

Maintenance Status Adjustments

MAINTENANCE STATUS ADJUSTMENTS

Registration: N123ASI **Serial Number:** 789

AIRFRAME			TOTAL HOURS:	3000			TOTAL CYCLES:	2000	
INSPECTION COST	INSPECTION NAME / TYPE	HR / CY / MO	LIMIT	COST PER	T/S	APPR ADJ	T/R	+/- 1/2 L	TOTAL
$ 18,000	12 Month Inspection	MO	12	$ 1,500.00	4		8	2	3,000.00
$ 25,000	500 Hour Inspection	HR	500	$ 50.00	79		421	171	8,550.00
$ 125,000	24 Month Inspection	MO	24	$ 5,208.33	14	2	8	-4	(20,833.32)
$ 125,000	48 Month Inspection	MO	48	$ 2,604.17	37	3	8	-16	(41,666.72)
$ 150,000	72 Month Inspection	MO	72	$ 2,083.33	28		44	8	16,666.64
$ 290,000	96 Month Inspection	MO	96	$ 3,020.83	87	1	8	-40	(120,833.20)
$ 475,000	144 Month Inspection	MO	144	$ 3,298.61	87		57	-15	(49,479.15)
				$ -			0	0	-
				$ -			0	0	-
				$ -			0	0	-
								TOTAL	(204,595.75)

LANDING GEAR									
INSPECTION COST	INSPECTION NAME / TYPE	HR / CY / MO	LIMIT	COST PER	T/S	APPR ADJ	T/R	+/- 1/2 L	TOTAL
$ 170,000	Nose Ldg Gear Overhaul - Maturing to 1/2 tim	CY	5000	$ 34.00	1856	644	2500	0	-
$ 130,000	Left Main Ldg Gear Overhaul - Maturing to 1/2	CY	5000	$ 26.00	1856	644	2500	0	-
$ 130,000	Right Main Ldg Gear Overhaul - Maturing to 1/	CY	5000	$ 26.00	1856	644	2500	0	-
								TOTAL	-

ENGINE #1									
INSPECTION COST	INSPECTION NAME / TYPE	HR / CY / MO	LIMIT	COST PER	T/S	APPR ADJ	T/R	+/- 1/2 L	TOTAL
$ 1,250,000	Engine #1 Overhaul -on CorporateCare	HR	7500	$ 166.67	3360	390	3750	0	-
$ 700,000	Engine #1 Mid-Life Inspection -on CorporateC	HR	3500	$ 200.00	3360	-1610	1750	0	-
				$ -			0	0	-
				$ -			0	0	-
								TOTAL	-

ENGINE #2									
INSPECTION COST	INSPECTION NAME / TYPE	HR / CY / MO	LIMIT	COST PER	T/S	APPR ADJ	T/R	+/- 1/2 L	TOTAL
$ 1,250,000	Engine #2 Overhaul -on CorporateCare	HR	7500	$ 166.67	3360	390	3750	0	-
$ 700,000	Engine #2 Mid-Life Inspection -on CorporateC	HR	3500	$ 200.00	3360	-1610	1750	0	-
				$ -			0	0	-
				$ -			0	0	-
								TOTAL	-

ENGINE #3									
INSPECTION COST	INSPECTION NAME / TYPE	HR / CY / MO	LIMIT	COST PER	T/S	APPR ADJ	T/R	+/- 1/2 L	TOTAL
				$ -			0	0	-
				$ -			0	0	-
				$ -			0	0	-
				$ -			0	0	-
								TOTAL	-

APU									
INSPECTION COST	INSPECTION NAME / TYPE	HR / CY / MO	LIMIT	COST PER	T/S	APPR ADJ	T/R	+/- 1/2 L	TOTAL
$ 40,000	APU Zonal Inspection - on MSP	MO	24	$ 1,666.67	16	-4	12	0	-
				$ -			0	0	-
								TOTAL	-
							TOTAL MAINTENANCE ADJUSTMENT		(204,595.75)

Aircraft Physical Condition Evaluation

EXECUTIVE AIRCRAFT PHYSICAL CONDITION EVALUATION *

REGISTRATION NUMBER : **N123ASI** SERIAL NUMBER: **789**

INSPECTION DATE: **November 1, 2012**

Deviation From Standard:		-5	-4	-3	-2	-1	0	1	2	3	4	5	COST PER	ADJ +/-	TOTAL	Remarks
Numerical Scale:		0	1	2	3	4	5	6	7	8	9	10				
FLIGHT DECK:																
$180,000	Equipment						X						18000	0	$ -	
$ 3,000	Floor Covering						X						300	0	$ -	
$200,000	Instrumentation						X						20000	0	$ -	
$ 30,000	Pilot Seats								X				3000	2	$ 6,000	
$ 90,000	Windshields/Windows						X						9000	0	$ -	
$ 2,000	General Cosmetic								X				200	2	$ 400	
		0	1	2	3	4	5	6	7	8	9	10				
CABIN INTERIOR:																
$ 40,000	Carpet								X				4000	2	$ 8,000	
$ 25,000	Closet(s)								X				2500	2	$ 5,000	
$ 40,000	Credenza									X			4000	3	$ 12,000	
$ 45,000	Divan(s)									X			4500	3	$ 13,500	
$150,000	Galley(s)									X			15000	3	$ 45,000	
$ 35,000	Hardware - Plating									X			3500	3	$ 10,500	
$ 95,000	Headliner / Ceiling									X			9500	3	$ 28,500	
$ 75,000	Lavatory(s)									X			7500	3	$ 22,500	
$ 20,000	Paint									X			2000	3	$ 6,000	
$ 75,000	Partitions & Doors									X			7500	3	$ 22,500	
$ 34,000	Refreshment Center						N/A						3400	0	$ -	
$ 90,000	Seat Covering									X			9000	3	$ 27,000	Less market desirable cloth seatcovers
$110,000	Sidewall Panels						X						11000	0	$ -	
$ 38,000	Side Rails / Side Ledges									X			3800	3	$ 11,400	
$ 42,000	Table(s)-Folding										X		4200	4	$ 16,800	Automatic (powered) club seat tables
$130,000	Windows						X						13000	0	$ -	Automatic (powered) window shades
$ 4,000	General Cosmetic								X				400	2	$ 800	
		0	1	2	3	4	5	6	7	8	9	10				
EXTERIOR:																
	Ailerons						X									
$ 25,000	Airstair						X						2500	0	$ -	
	Deice System						N/A									
$ 20,000	Doors / Hatches						X						2000	0	$ -	
	Elevators						L/I									
$150,000	Engine Cowls / Nacelles						X						15000	0	$ -	
$ 90,000	Flaps						X						9000	0	$ -	
$700,000	Fuselage						X						70000	0	$ -	
	Horizontal Stabilizer						L/I									
$ 15,000	Landing Gear Assemblies						X						1500	0	$ -	Excluding overhaul status
$ 75,000	Leading Edges					X							7500	-1	$ (7,500)	
$197,000	Paint - Fuselage & Wings									X			19700	3	$ 59,100	
	Propellers						N/A									N/A Turbo Fan Powerplant
	Rudder						X									
	Vertical Stabilizer						X									
$ 20,000	Wheel Wells						X						2000	0	$ -	
$175,000	Wheels / Brakes / Tires										X		17500	4	$ 70,000	
$600,000	Wings / Upper						X						60000	0	$ -	
$600,000	Wings / Lower						X						60000	0	$ -	
$200,000	Winglets						X						20000	0	$ -	
$ 3,500	General Cosmetic									X			350	3	$ 1,050	
		0	1	2	3	4	5	6	7	8	9	10				
BAGGAGE COMPARTMENT:																
$ 9,000	Floor Covering								X				900	2	$ 1,800	
$ 5,000	Nets & Shelving								X				500	2	$ 1,000	
$ 16,000	Sidewall Gilliner / Carpet								X				1600	2	$ 3,200	
$ 2,000	General Cosmetic								X				200	2	$ 400	
		0	1	2	3	4	5	6	7	8	9	10				

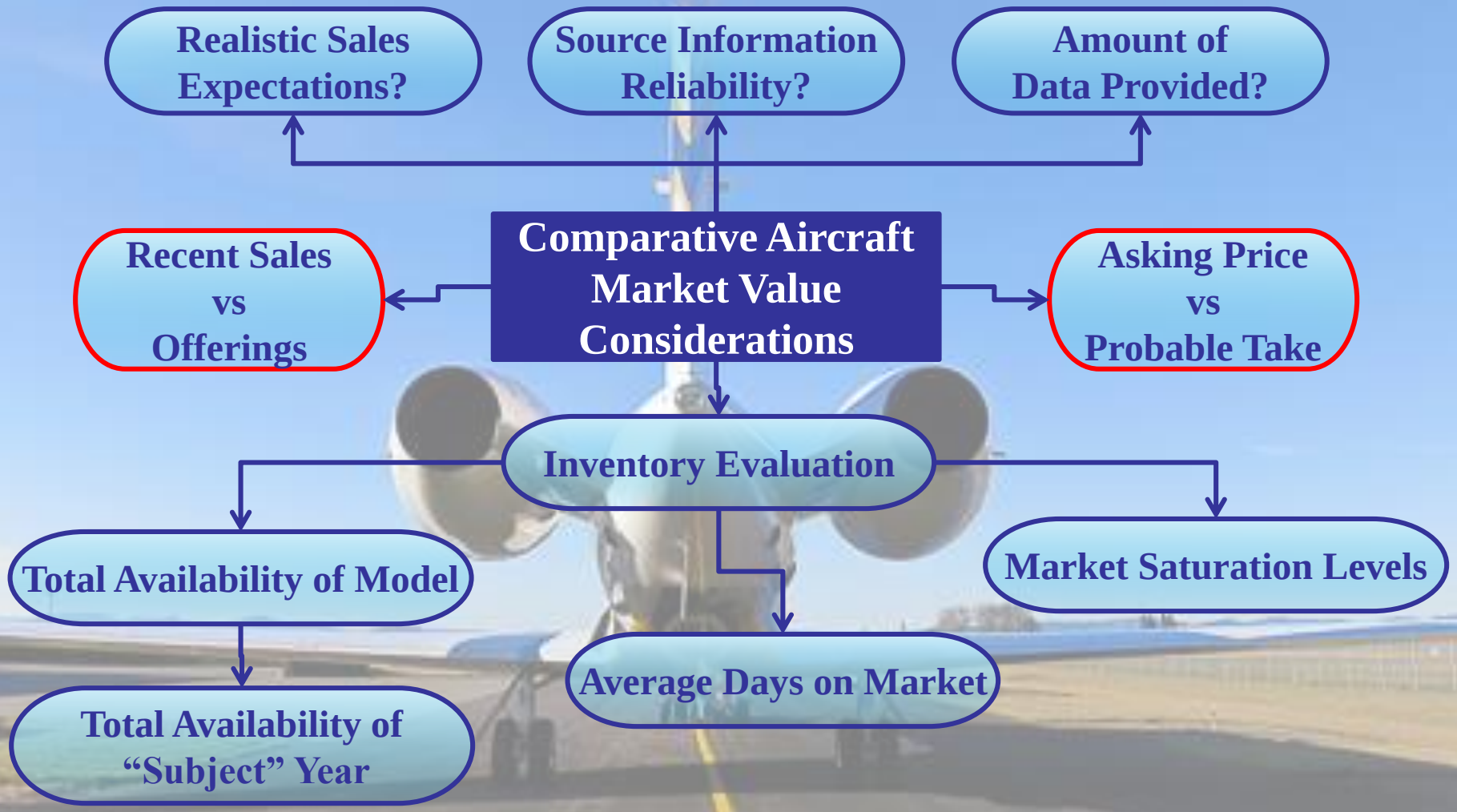
Soft Goods Interior Items in Red.

TOTAL ADJUSTMENT (ROUNDED) $** **$ 365,000

N/A NOT APPLICABLE N/I NOT INSPECTED L/I LIMITED INSPECTION H HYPOTHETICALLY ASSUMED

* Physical Condition Evaluation considers known pedigree, vintage (age), make, and model.

Step 5 – Comparative Market Analyses



FMV Comparative Analysis – Part 1

AERONAUTICAL SYSTEMS FAIR MARKET VALUE COMPARATIVE ANALYSIS

MANUFACTURER	GULFSTREAM	GULFSTREAM	GULFSTREAM	GULFSTREAM	GULFSTREAM			
MODEL	G550 (GV-SP)	G550 (GV-SP)	G550 (GV-SP)	G550 (GV-SP)	G550 (GV-SP)			
YEAR	2004	2004	2004 / 2005	2004 / 2005	2005 / 2006			
COMPARABLE AIRCRAFT NUMBER	#1	#2	SUBJECT APPRAISED	#4	#5			
AIRFRAME TOTAL TIME	3100	7450	3000	2700	2034			
AIRFRAME TOTAL CYCLES	1483	1951	2000	997	656			
	-- SOLD - AUG 2012--	-- OFFERING--	-SUBJECT-PENDING SALE-	-- SOLD - JUL 2012--	-- SOLD - SEP 2012--			
LISTED ASK PRICE	MAKE OFFER	MAKE OFFER	$ 34,900,000	MAKE OFFER	MAKE OFFER			
INTERVIEW ASK PRICE	$ 39,500,000	MAKE OFFER	$ 34,900,000	MAKE OFFER	MAKE OFFER			
INTERVIEW PROBABLE TAKE / SALES PRICE / APPRAISER'S PLUG-IN VALUE	$ 31,250,000	$ 29,000,000	$ 32,900,000	$ 32,300,000	$ 35,300,000			
DATE LISTED	unknown	October 17, 2012	March 27, 2012	unknown	unknown			
IN-SERVICE DATE	December 1, 2004	November 17, 2004	August 4, 2005	June 30, 2005	March 17, 2006			
NOTES: CALCULATED WITH FULL INTERIOR ADJUSTMENTS.	PAX=17, P&I=2009/2009 (+3/+3). Per broker SOLD Aug 2012 for $31.25M.	PAX=16, P&I=2011/2010(SOFT) (+4/+1). Per broker would take $29.0M. Foreign Registry - Switzerland.	PAX=14, P&I=ORIG/ORIG. Per broker PENDING SALE at very close to $33.0M. Appraiser's plug-in $32.9M.	PAX=16, P&I=ORIG/ORIG (+0/+0). Per broker SOLD Jul 2012 for $32.3M.	PAX=16, P&I=ORIG/ORIG (+0/+0). Per broker SOLD Sep 2012 for $35.3M.			
ASI Base 1/2 Time Retail CMV -FAR Part 91, with average utilization and physical condition, Standard equipped w/Honeywell Primus EPIC avionics, HUD, EVS, SATCOM, TCAS II, RVSM, TAWS 'A' compliant, engines on CorpCare, no damage history, traded in the retail market with properly documented and original historical records.	$ 32,552,000	$ 32,552,000	$ 33,177,000	$ 33,177,000	$ 34,677,000			
PLUS:	PLUS:	PLUS:	PLUS:	PLUS:	PLUS:	PLUS:	PLUS:	PLUS:
Lower than Industry Avg Utilization	$ 113,000			$ 165,000	$ 335,000			
Better than Avg Physical Condition **(Actual)**			$ 365,000					
Better than Avg Physical Condition **(Assumed)**	$ 336,000	$ 171,100						
FAR Part 135 or Equivalent					$ 50,000			
Avionics / Electronics - PBH Pgm **(H.A.P.P.)**	$ 100,000		$ 100,000	$ 100,000				
Single Owner since New								
Forward Galley Configuration		$ 420,000			$ 420,000			
Upgraded Avionics / High Speed Internet System	$ 420,000		$ 420,000					
Upgraded Inflight Entertainment (Direct TV)								
APU enrolled on PBH - MSP (pro-rated)	$ 40,000		$ 40,000	$ 40,000				
APU enrolled on PBH - JSSI (pro-rated)					$ 32,000			
Engines on CorporateCarg PBH Pgm (Pro-rated)								
Engines on JSSI not Mfg Pgm (Pro-Rated)								
Other delineated items (see report)	$ 50,000	$ 50,000	$ 75,000					
SUBTOTAL PLUS (ROUNDED)	$ 1,059,000	$ 641,000	$ 1,000,000	$ 305,000	$ 837,000	$ -	$ -	$ -
MINUS:	MINUS:	MINUS:	MINUS:	MINUS:	MINUS:	MINUS:	MINUS:	MINUS:
Higher than Ind Avg Utilization		$ (2,422,000)	$ (376,000)					
Worse than Avg Physical Condition **(Actual)**								
Worse than Avg Physical Condition **(Assumed)**								
Damage/Incident History Adjustment			$ (169,000)					
Undesirable Paint Livery / Logo Removals								
Foreign Registry Adjustment		$ (154,000)						
Fractional History or "Other" Adjustments								
Historical Record Errors and/or Omisions								
Undesirable Seating Configuration								
Additional Deficiencies (See Appr Report)			$ (50,000)					
Early s/n non-dirivative aircraft degradation factor								
Less desirable JSSI vs MFG Pgm (-20% of Buy-in)					$ (296,964)			
Cost of Buy-in & enrollment on Mfg Pgm / JSSI								
SUBTOTAL MINUS (ROUNDED)	$ -	$ (2,576,000)	$ (595,000)	$ -	$ (297,000)	$ -	$ -	$ -

FMV Comparative Analysis – Part 2

AERONAUTICAL SYSTEMS FAIR MARKET VALUE COMPARATIVE ANALYSIS

MODEL	G550 (GV-SP)	G550 (GV-SP)	G550 (GV-SP)	G550 (GV-SP)	G550 (GV-SP)	0	0	0
YEAR	2004	2004	2004 / 2005	2004 / 2005	2005 / 2006	0	0	0
COMPARABLE AIRCRAFT NUMBER	#1	#2	SUBJECT APPRAISED	#4	#5	0	0	0
MAINTENANCE ADJUSTMENTS:	MNT ADJ.	MNT ADJ.	MNT ADJ.	MNT ADJ.	MNT ADJ.	MNT ADJ.	MNT ADJ.	MNT ADJ.
12 Month Inspection	$ (3,000)	$ 6,000	$ 3,000	$ 1,500	not provided			
500 Hour Inspection	not provided	not provided	$ 8,550	not provided	not provided			
24 Month Inspection	not provided	$ 52,083	$ (20,833)	$ (26,042)	not provided			
48 Month Inspection	not provided	$ 57,292	$ (41,667)	not provided	not provided			
72 Month Inspection	$ 33,333	$ 22,917	$ 16,667	$ 39,583	$ 58,333			
96 Month Inspection	$ (145,000)	$ (145,000)	$ (120,833)	$ (102,708)	$ (96,667)			
144 Month Inspection	$ (65,972)	$ (79,167)	$ (49,479)	$ (32,986)	$ (26,389)			
LANDING GEAR OVERHAUL - SHIPSET	maturing to 1/2 time	maturing to 1/2 time	maturing to 1/2 time	maturing to 1/2 time	maturing to 1/2 time			
ENG #1 Midlife Inspection	on CorporateCare	on CorporateCare	on CorporateCare	on CorporateCare	on 100% Vested JSSI			
ENG #1 OVERHAUL	on CorporateCare	on CorporateCare	on CorporateCare	on CorporateCare	on 100% Vested JSSI			
ENG #2 Midlife Inspection	on CorporateCare	on CorporateCare	on CorporateCare	on CorporateCare	on 100% Vested JSSI			
ENG #2 OVERHAUL	on CorporateCare	on CorporateCare	on CorporateCare	on CorporateCare	on 100% Vested JSSI			
APU ON PBH / JSSI	on MSP	---	on MSP	on MSP	on 100% Vested JSSI			
APU HOT SECTION/RESTORATION	---	not provided	---	---	---			
SUBTOTAL MAINTENANCE (ROUNDED)	$ (181,000)	$ (86,000)	$ (205,000)	$ (121,000)	$ (65,000)	$ -	$ -	$ -
ESTIMATED ASI RETAIL CMV WITHOUT MARKET ANALYSIS ADJUSTMENTS	$ 33,430,000	$ 30,531,000	$ 33,377,000	$ 33,361,000	$ 35,152,000			
Difference ASI CMV to Probable Take	$ 2,180,000	$ 1,531,000	$ 477,000	$ 1,061,000	$ (148,000)			
Calculated specific aircraft adjustment needed from INITIAL base value (as %) to arrive at broker/owner probable "take/sales" value	-6.70%	-4.70%	-1.44%	-3.20%	0.43%			
EXCLUDED / INCLUDED FROM ANALYSIS	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED			
WEIGHTING FACTOR	5	3	7	4	7			
WEIGHTED PERCENTAGE	-33.50%	-14.10%	-10.08%	-12.80%	3.01%			
TOTALS	-67.47%	26						
COMPARATIVE ANALYSIS ADJUSTMENT (%) UTILIZED FOR FAIR MARKET VALUE ANALYSIS	-2.595%		Deviation from Standard Weight factor adjustment (NONE)	Deviation from Standard Weight factor adjustment (NONE)	AVERAGED Deviation from Standard Weight factor adjustment for S/N (NONE)			
Other Market Adjustments for Subject		$ -						
COMPARATIVE ANALYSIS ADJUSTMENT (%) UTILIZED FOR FAIR MARKET VALUE ANALYSIS - Post OTHER Market Adjustments.	-2.595%							
Finalized Comparable Sales & Offerings 1/2 Time Base Value	$ 31,707,000	$ 31,707,000	$ 32,316,000	$ 32,316,000	$ 33,777,000			
SUBTOTAL PLUS (ROUNDED)	$ 1,059,000	$ 641,000	$ 1,000,000	$ 305,000	$ 837,000			
SUBTOTAL MINUS (ROUNDED)	$ -	$ (2,576,000)	$ (595,000)	$ -	$ (297,000)			
SUBTOTAL MAINTENANCE (ROUNDED)	$ (181,000)	$ (86,000)	$ (205,000)	$ (121,000)	$ (65,000)			
FINAL ESTIMATED ASI RETAIL FMV	$ 32,585,000	$ 29,686,000	$ 32,516,000	$ 32,500,000	$ 34,252,000			

Additional NOTES:

Other aircraft considered for this analysis: s/n 5007 (no timely reply to inquiries); s/n 5019 (Foreign Registry - Russia - no timely reply to inquiries); s/n 5054 (Foreign Registry - Cayman Islands - no timely reply to inquiries); s/n 5064 (Removed from Market); s/n 5146 (no timely reply to inquiries); s/n 5170 (2007/08 Mfg outside of purchase grouping @ probable take of $44.0M); s/n5189 (Foreign Registry - Tortola / British Virgin Islands - no timely reply to inquiry); s/n 5196 (2008 Mfg outside of purchase grouping @ probable take of $44.5M).

Step 6 – Diminution of Value Considerations

Diminution of Value assessments should always include a detailed written report

Diminution of Value Analyses

						Weighted Section Totals
Category of Event	**Accident**	**Incident**	**In-Motion**	**Not-In-Motion**	**Casualties**	**75**
Mark All Applicable	X			X		
Severity Scale	10	5	5	0	10	

Severity of Damage Category	**Major/Heavy**	**Moderate**	**Light / Minor**	**Very Minor**	**---**	**75**
Mark Only One 'X'	X					
Severity Scale	10	5	3	1	0	

Repair Agency / Facility	**A&P Mechanic sign-off's only**	**3rd Tier (Non-OEM Authorized)**	**OEM Authorized Service Center**	**OEM (Manufacturer)**	**---**	**35**
Mark Only One 'X'		X				
Severity Scale	10	7	0	-10		

Repair Scheme	**Changes to Performance or Maint. Pgm.**	**Temporary Repairs Only**	**Requires recurring Special Inspection Tasks**	**All Repairs are Permanent (but not with Replaced Parts)**	**All Permanent Repairs w/Removed & Replaced Parts**	**-13**
Mark All Applicable				X		
Severity Scale	10	9	7	-5	-7	

Primary Damage Location(s)	**Fuselage**	**Wing(s) Structural**	**Empennage**	**Engines**	**Aircraft Interior**	**30**
Mark All Applicable			X			
Severity Scale	10	10	10	10	10	

Secondary Damage Location(s)	**Fuselage**	**Wings(s) Structural**	**Empennage**	**Engines**	**Aircraft Interior**	**80**
Mark All Applicable	X	X		X	X	
Severity Scale	10	10	10	10	10	

Ancillary Damage Location(s)	**Fuselage**	**Wings(s) Structural**	**Empennage**	**Engines**	**Aircraft Interior**	**0**
Mark All Applicable						
Severity Scale	10	10	10	10	10	

Documentation of Repairs (Historical Records)	**Completely & Professionally Documented Including Full FAA Docs & Logbook Entries**	**Photographs (Before / After)**	**FAA Documents (337's / 8130-3's / 8110's)**	**Logbook Entries Only (NO other Documents)**	**No Repair Documentation**	**-52**
Mark All Applicable	X	X				
Severity Scale	-10	-2	5	7	10	

Post Event NON-OEM Support / Warranty	**Airframe**	**Engines**	**APU**	**Landing Gear**	**Components / Systems**	**50**
Mark All Applicable	X					
Severity Scale	10	10	5	5	5	

OTHER	**3rd Tier or Field Engineering ONLY (D.A.R. / D.E.R.)**	**OEM or Service Center Engineering**	**No Known Post Repair Anomalies or Problems Experienced**	**At Least One Major Inspection Since Repair**	**No Significant Damage Stigma**	**19**
Mark All Applicable	X		X	X		
Severity / Benefit Scale	10	0	-7	-5	-10	

Stage of Flight Operation	**In-Flight**	**Approach / Landing**	**Take-Off**	**Taxi**	**Parked/Hangared**	**0**
Mark Only One 'X'					X	
Severity Scale	10	7	5	2	0	

Calendar Time Since Repairs	**Zero to 1 Year**	**1+ to 3 Years**	**3+ to 5 Years**	**5+ to 7 Years**	**7+ Years**	**13**
Mark Only One 'X'	X					
Severity Scale	10	7	4	2	1	

Hours / Cycles Since Repairs	**Zero to 250 Hrs**	**251 to 1000 Hrs**	**1001 to 2000 Hrs**	**2001 to 3000 Hrs**	**3001+ Hrs**	**13**
Mark Only One 'X'	X					
Severity Scale	10	7	4	2	1	

Market Demand Adjustment (Subject Aircraft Demand versus Supply)				
Strong Sellers Market	**Sellers Market**	**Equilibrium**	**Buyers Market**	**Strong Buyers Market**
4% or Less	4+ to 8%	8+ to 12%	12+ to 16%	16% or More

Diminution Subtotal	25.96%
Market Demand Adjustment	2.60%
TOTAL Diminution of Value	**-28.56%**

% of Subject Model on Market
20%

Strong Buyers Market
10%

Step 7 – Future Value (Residual) Standards

- Historical Value Trends
- Same or Derivative Models
- Current Value Assessment
- Market Conditions Supply & Demand
- **Aeronautical Systems Infusing Detailed Theory & Analyses**
- Competing Aircraft
- Economic Obsolescence
- Age of Aircraft
- Technological Obsolescence
- Impact of Governmental Regulations
- Impact of Proposed FAA Regulations
- Specific Issues Impacting Future Value

Engines PBH Buy-in Forecast Analyses

ESTIMATED ROLLS-ROYCE BUY-IN CALCULATION FORECAST
G550 (BR710 ENGINES)

Assumed Current 4000 Total Airframe Time (TAT)	Cumulative per Quarter		Estimated Future TAT	RRCC 2012 HT rate $385.52 w/6% per yr increase	RRCC Post Midlife add-in rate $517,512 w/6% per year increase	Estimated RRCC Buy-in w/forecast pgm cost increases
	Forecasted Average Utilization	Add'l Estimated High Utilization				
2012 4th Qtr - CURRENT	4000	0	4000	$385.52	$ 517,512	$ 517,512
2013 1st Qtr Forecast	109.5	28	4137.5	$ 408.65	$ 548,563	$ 660,942
2013 2nd Qtr Forecast	219.0	56	4275.0	$ 408.65	$ 548,563	$ 773,321
2013 3rd Qtr Forecast	328.5	84	4412.5	$ 408.65	$ 548,563	$ 885,700
2013 4th Qtr Forecast	438.0	112	4550.0	$ 408.65	$ 548,563	$ 998,079
2014 1st Qtr Forecast	547.5	140	4687.5	$ 433.17	$ 581,476	$ 1,177,086
2014 2nd Qtr Forecast	657.0	168	4825.0	$ 433.17	$ 581,476	$ 1,296,207
2014 3rd Qtr Forecast	766.5	196	4962.5	$ 433.17	$ 581,476	$ 1,415,329
2014 4th Qtr Forecast	**876.0**	**224**	**5100.0**	**$ 433.17**	**$ 581,476**	**$ 1,534,451**
2015 1st Qtr Forecast	985.5	252	5237.5	$ 459.16	$ 649,279	$ 1,785,701
2015 2nd Qtr Forecast	1095.0	280	5375.0	$ 459.16	$ 649,279	$ 1,911,970
2015 3rd Qtr Forecast	1204.5	308	5512.5	$ 459.16	$ 649,279	$ 2,038,239
2015 4th Qtr Forecast	**1314.0**	**336**	**5650.0**	**$ 459.16**	**$ 649,279**	**$ 2,164,508**
2016 1st Qtr Forecast	1423.5	364	5787.5	$ 486.71	$ 688,236	$ 2,428,224
2016 2nd Qtr Forecast	1533.0	392	5925.0	$ 486.71	$ 688,236	$ 2,562,070
2016 3rd Qtr Forecast	1642.5	420	6062.5	$ 486.71	$ 688,236	$ 2,695,915
2016 4th Qtr Forecast	1752.0	448	6200.0	$ 486.71	$ 688,236	$ 2,829,760
2017 1st Qtr Forecast	1861.5	476	6337.5	$ 515.91	$ 729,530	$ 3,141,422
2017 2nd Qtr Forecast	1971.0	504	6475.0	$ 515.91	$ 729,530	$ 3,283,298
2017 3rd Qtr Forecast	2080.5	532	6612.5	$ 515.91	$ 729,530	$ 3,425,174
2017 4th Qtr Forecast	**2190.0**	**560**	**6750.0**	**$ 515.91**	**$ 729,530**	**$ 3,567,050**
2018 1st Qtr Forecast	2299.5	588	6887.5	$ 546.87	$ 773,301	$ 3,931,461
2018 2nd Qtr Forecast	2409.0	616	7025.0	$ 546.87	$ 773,301	$ 4,081,850
3018 3rd Qtr Forecast	2518.5	644	7162.5	$ 546.87	$ 773,301	$ 4,232,238
2018 4th Qtr Forecast	2628.0	672	7300.0	$ 546.87	$ 773,301	$ 4,382,627
2019 1st Qtr Forecast	2737.5	700	7437.5	$ 579.68	$ 819,700	$ 4,804,996
2019 2nd Qtr Forecast	2847.0	728	7575.0	$ 579.68	$ 819,700	$ 4,964,408
2019 3rd Qtr Forecast	2956.5	756	7712.5	$ 579.68	$ 819,700	$ 5,123,820
2019 4th Qtr Forecast	**3066.0**	**784**	**7850.0**	**$ 579.68**	**$ 819,699.57**	**$ 5,283,232**

Notes:

Assumes Hard-Time (HT) Time Between Overhauls (TBO)
Midlife Inspection @ 4000 TET - Est Cost $925,000 each Engine ($231.25/hour)
Overhaul @ 8000 TET - Est Cost $3,000,000 ($375/hour)
Assumption of 550hr/year or 112hr/year (28hr/qtr) above average (438hr/year) utilization.
TAT= Total Airframe Time
TET= Total Engine Time
***Forecast were calculated with data as provided after consultation with Rolls-**
Corporate Care Administrators (Stephen Friedrich, Vice President - Sales & Marketing)

Lease Return Deficiency Analysis

ESTIMATED DEFICIENCY CALCULATION FROM LESSEE TO LESSOR*

1/2 TIME TO MIDLIFE / OVEHAUL - G550 (BR710 ENGINES)

Assumed Current 2818 Total Airframe Time (TAT)	Estimated Future TAT / TET	Excess Utilization above 1/2 Time Midlife and/or Ovh'l	Midlife Per Hr Cost Adj w/6% per year Post 2012 price increases	Operator Est Pmt for Excess from 1/2 Time Midlife and/or Ovh'l
2012 4th Qtr - CURRENT	4000	0	$ 231.25	$ -
2013 1st Qtr Forecast	4137.5	137.5	$ 245.13	$ 67,409
2013 2nd Qtr Forecast	4275.0	275.0	$ 245.13	$ 134,819
2013 3rd Qtr Forecast	4412.5	412.5	$ 245.13	$ 202,228
2013 4th Qtr Forecast	4550.0	550.0	$ 245.13	$ 269,638
2014 1st Qtr Forecast	4687.5	687.5	$ 259.83	$ 357,270
2014 2nd Qtr Forecast	4825.0	825.0	$ 259.83	$ 428,724
2014 3rd Qtr Forecast	4962.5	962.5	$ 259.83	$ 500,178
2014 4th Qtr Forecast	5100.0	1100.0	$ 259.83	$ 571,632
2015 1st Qtr Forecast	5237.5	1237.5	$ 397.50	$ 983,813
2015 2nd Qtr Forecast	5375.0	1375.0	$ 397.50	$ 1,093,125
2015 3rd Qtr Forecast	5512.5	1512.5	$ 397.50	$ 1,202,438
2015 4th Qtr Forecast	5650.0	1650.0	$ 397.50	$ 1,311,750
2016 1st Qtr Forecast	5787.5	1787.5	$ 421.35	$ 1,506,326
2016 2nd Qtr Forecast	5925.0	1925.0	$ 421.35	$ 1,622,198
2016 3rd Qtr Forecast	6062.5	2062.5	$ 421.35	$ 1,738,069
2016 4th Qtr Forecast	6200.0	2200.0	$ 421.35	$ 1,853,940
2017 1st Qtr Forecast	6337.5	2337.5	$ 446.63	$ 2,088,000
2017 2nd Qtr Forecast	6475.0	2475.0	$ 446.63	$ 2,210,823
2017 3rd Qtr Forecast	6612.5	2612.5	$ 446.63	$ 2,333,647
2017 4th Qtr Forecast	6750.0	2750.0	$ 446.63	$ 2,456,471
2018 1st Qtr Forecast	6887.5	2887.5	$ 473.43	$ 2,734,052
2018 2nd Qtr Forecast	7025.0	3025.0	$ 473.43	$ 2,864,245
3018 3rd Qtr Forecast	7162.5	3162.5	$ 473.43	$ 2,994,438
2018 4th Qtr Forecast	7300.0	3300.0	$ 473.43	$ 3,124,630
2019 1st Qtr Forecast	7437.5	3437.5	$ 501.83	$ 3,450,113
2019 2nd Qtr Forecast	7575.0	3575.0	$ 501.83	$ 3,588,117
2019 3rd Qtr Forecast	7712.5	3712.5	$ 501.83	$ 3,726,122
2019 4th Qtr Forecast	7850.0	3850.0	$ 501.83	$ 3,864,126

2012 Midlife / Hour Adjustment $ 231.25
2012 Overhaul / Hour Adjustment $ 375.00

Notes:

Assumes Hard-Time Time Between Overhauls (TBO)
Midlife Inspection @ 4000 TET - Est Cost $925,000 each Engine ($231.25/hour)
Overhaul @ 8000 TET - Est Cost $3,000,000 ($375/hour)
TAT= Total Airframe Time
TET= Total Engine Time

***These calculations are bugetary estimates only and subject to change.**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