

Asset Decision-making And Planning Tool (ADAPT)

What is the Asset Decision-making And Planning Tool?

The Asset Decision-making And Planning Tool (“ADAPT”) is a powerful system that allows users to oversee their aircraft portfolio’s Asset Quality and Market Value *in real time*, compare the condition of assets in their fleet with aircraft listed for sale, predict future maintenance expense, obtain current Fair Market Value (“FMV”) and Orderly Liquidation Value (“OLV”) figures monthly, and view quarterly updated Residual Value FMV and OLV estimates.

How is the Asset Decision-making And Planning Tool used?

ADAPT is used to maintain up-to-date maintenance condition *financial information*, along with asset value information, on all aircraft in a fleet. It allows users to obtain and store maintenance-related analytics and industry values for over 100 make/model aircraft – including helicopters. Once an aircraft is entered on ADAPT, its maintenance status can be updated *daily*, and available analytics include (by individual asset, a group of assets, or the entire portfolio):

- Asset Insight Index figures, as well as:
 - Major Sectors Index (e.g., airframe; engine(s); APU; etc.)
 - Hourly Cost Maintenance Program value
 - Exposure to Price Ratio
- Comparable “For Sale” fleet average comparisons
- Anticipated Scheduled Maintenance analytics, as well as user-defined:
 - Individual Inspection Completion dates; and,
 - Event maintenance cost (by individual asset or global assumption changes)
- Current Fair Market Value (“FMV”) and Orderly Liquidation Value (“OLV”) figures
- Residual Value FMV and OLV estimates

Typical entities benefiting from ADAPT:

- Fleet owners
- Fleet operators
- Banks
- Lessors
- Dealers / Brokers
- Acquisition consultants

Why is ADAPT an important asset management tool?

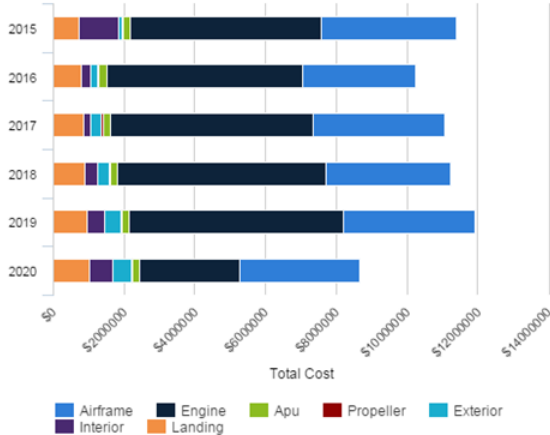
ADAPT provides users the ability to track aircraft in a fleet on an individual and collective basis so as to be well-informed about the two greatest value influencers: maintenance condition and market environment.

Aircraft maintenance and value analytics are both challenging and time-consuming to derive – not what an asset manager needs when a problem arises. Additionally, such figures can vary for numerous reasons. ADAPT allows asset managers to track, and more precisely estimate, when future maintenance will occur, as well as what it is likely to cost – utilizing Asset Insight’s maintenance cost estimates or their own (internal) figures, while concurrently keeping them apprised of market value changes on a regular basis.

	Grade			Analyze	Evaluate	Compare	Forecast	Value	
Service	Asset Insight Index			Major Sectors Asset Insight Index	Maintenance Exposure to Price Ratio (ETP Ratio)	Comparable Industry Asset Insight Index	60-month Scheduled Maintenance Analysis	Electronic Valuation (eVA™)	Electronic Residual Valuation (eRVA™)
	Asset Quality Rating	Maintenance Equity Value							
What does the Service provide?	Aircraft's Maintenance Rating compared to its Optimal Maintenance Condition	Aircraft's Financial Rating based on its Maintenance Rating	Financial Value of the aircraft's available Schedule Maintenance	The Asset Insight Index for the aircraft's Major Sectors	A ratio computing the aircraft's maintenance exposure as it relates to its price	Asset Insight Index for like make / model aircraft listed for sale	Analysis of the aircraft's Scheduled Maintenance requirements	Current Value Analysis of Fair Market Value ("FMV") Orderly Liquidation Value ("OLV")	Residual Value Analysis of Fair Market Value ("FMV") Orderly Liquidation Value ("OLV")
What are the Service's Benefits & Value?	Objectively analyzes, grades and values an aircraft's maintenance status relative to its Optimal Maintenance Condition, <i>allowing any asset to be accurately and directly compared to any other asset</i>			Analyzes how each Major Sector impacts the aircraft's overall Index	Evaluates the aircraft's marketability based its maintenance status & price	Compares an aircraft's Ratings to other / similar units listed for sale	Forecasts an aircraft's Scheduled Maintenance during the next 60 months	Value your aircraft based on current market conditions, the aircraft's specification, and the asset's current maintenance status	Forecast an aircraft's Residual Value based on market conditions, the aircraft's specification, and the asset's current and forecast maintenance status
How does the Service work?	Utilizes the Asset Grading System Process™ ("AGSP") developed by Asset Insight, Inc. to derive the Asset Insight Index for the entire aircraft, and its Major Sectors, such as: Airframe; Engine(s); APU; Propeller(s); Passenger Interior; Exterior Paint; Landing Gear			Calculated by dividing the aircraft's Maintenance Exposure (its accrued / embedded maintenance) by the aircraft's price	Evaluates aircraft listed for sale to compute the average Asset Insight Index for each make / model	Utilizes an aircraft's Asset Insight Index to project its future Scheduled Maintenance costs	Utilizes the Asset Insight Index, historical and current industry value data to compute the asset's FMV & OLV	Utilizes the Asset Insight Index, Scheduled Maintenance Analysis, historical and current industry value data to forecast the asset's FMV & OLV for up to a 10-year period	

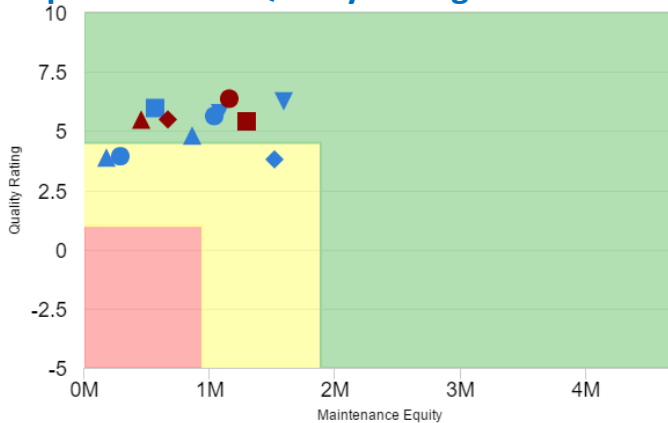
Asset Decision-making And Planning Tool

Forecast aircraft maintenance costs



Sector	2015	2016	2017	2018	2019	2020
Airframe	\$3,838,566	\$3,196,383	\$3,720,636	\$3,529,056	\$3,712,068	\$3,396,257
Landing	\$708,737	\$786,632	\$864,316	\$880,981	\$951,630	\$1,029,243
Engine	\$5,380,311	\$5,550,812	\$5,720,847	\$5,890,882	\$6,060,917	\$2,828,388
Apu	\$203,121	\$203,121	\$203,121	\$203,121	\$203,121	\$203,121
Exterior	\$110,380	\$192,178	\$273,786	\$355,381	\$436,974	\$518,772
Interior	\$1,129,526	\$264,970	\$203,303	\$357,601	\$511,903	\$666,593
Propeller	\$37,765	\$53,385	\$68,958	\$24,862	\$40,442	\$28,166
Total	\$11,408,406	\$10,247,481	\$11,054,967	\$11,241,884	\$11,917,055	\$8,670,540
HCMP	(\$9,421,998)	(\$8,950,316)	(\$9,644,604)	(\$9,623,059)	(\$9,976,106)	(\$6,427,766)
Cost Exposure	\$1,986,408	\$1,297,165	\$1,410,363	\$1,618,825	\$1,940,949	\$2,242,774

Compare Aircraft Quality Ratings to assets listed for sale

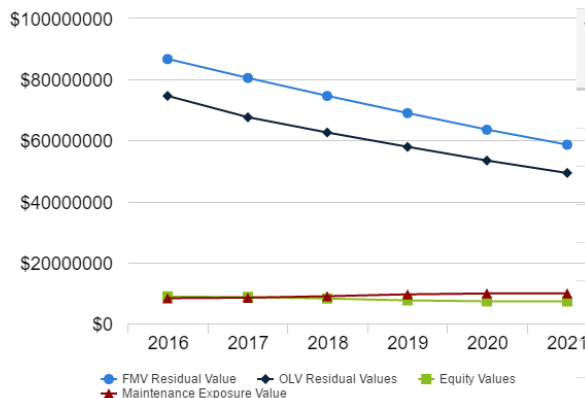


Quality Rating Differential
0.503

Maintenance Equity Differential
\$1,978,948

Asset	Type	Quality Rating	Maintenance Equity
Hawker 800 XP (258639 / N95UP)	Your Aircraft	<input type="checkbox"/>	<input type="checkbox"/>
	Aircraft For Sale	<input type="checkbox"/>	<input type="checkbox"/>
Hawker 800 XP (258484 / N84UP)	Your Aircraft	<input type="checkbox"/>	<input type="checkbox"/>
	Aircraft For Sale	<input type="checkbox"/>	<input type="checkbox"/>
Hawker 800 XP (258473 / N73UP)	Your Aircraft	<input type="checkbox"/>	<input type="checkbox"/>
	Aircraft For Sale	<input type="checkbox"/>	<input type="checkbox"/>

Track current and residual Fair Market Value & Orderly Liquidation Value



Year	FMV - Residual Value	OLV - Residual Value	Maintenance Equity Value	Maintenance Exposure Value
2016	\$86,700,000	\$74,584,000	\$8,828,223	\$8,291,757
2017	\$80,514,000	\$67,634,000	\$8,659,494	\$8,460,483
2018	\$74,611,000	\$62,590,000	\$8,176,348	\$8,943,631
2019	\$68,981,000	\$57,925,000	\$7,565,986	\$9,553,994
2020	\$63,540,000	\$53,403,000	\$7,276,969	\$9,843,009
2021	\$58,625,000	\$49,325,000	\$7,262,784	\$9,857,196

Utilization (Projected Average Hours / Year) 414

Hourly Cost (Over Projected Utilization) \$1,234

