



Understanding Fractional Aircraft Ownership

The PlaneSense® Fractional
Aircraft Ownership Program



- 1 **The Fractional Ownership Model**
- 2 **Reasons to Fly Fractional**
- 3 **Cost Structure**
- 4 **Conclusion**

OVERVIEW

Aircraft ownership appeals to many travelers. The purchase of an aircraft affords freedom from commercial travel, and the resulting convenience and ability to travel when you want, and not according to an airline's restrictive schedule. Amid a backdrop of personal and business flight options in the form of aircraft timeshare, jet cards, jet membership programs, and aircraft charter or the high cost of whole aircraft ownership, the fractional aircraft ownership model is becoming increasingly popular with both leisure and business travelers. With a fractional aircraft program, the program management company provides its expertise to the fractional owners. Through the innovative structure of fractional programs, the share owners enjoy all the benefits of private flights without the added responsibility of aircraft management.

THE FRACTIONAL AIRCRAFT OWNERSHIP MODEL

An aircraft fractional ownership program is simply an expanded form of co-ownership of professionally managed private aircraft. What is expanded, as compared to co-ownership of one plane by more than one person, is the number of planes being managed, and the right of a fractional owner of one airplane or jet to use another aircraft owned by others in the fractional group. Essentially, when a share is purchased in the PlaneSense® program, the share owner gains access to an entire fleet, rather than just one aircraft. This allows for incredible convenience for flying when needed and guaranteed access to the PlaneSense® fleet.

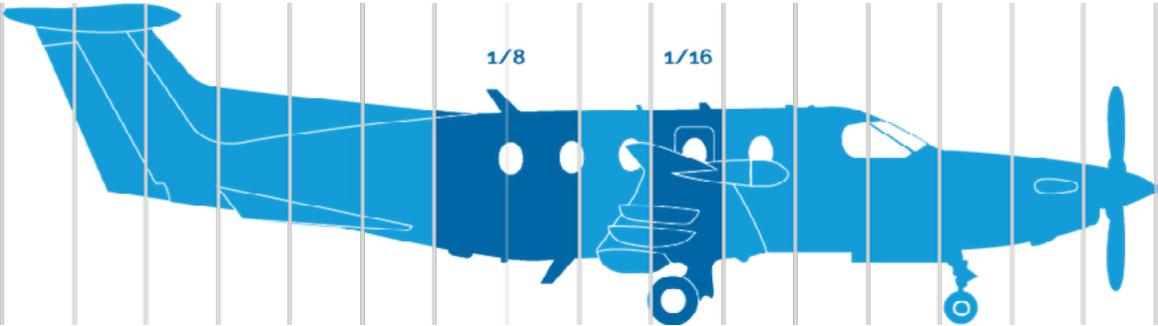
Most aircraft co-ownership and airplane share arrangements create an equitable system of shared use and expense. An aircraft management agreement between each fractional owner and PlaneSense, Inc. contains the details of the allocation of the fractional program including aircraft maintenance and repair, scheduling, identifying flight crews, training, etc.

Simply put, in the aircraft fractional ownership model, multiple aircraft are available to multiple owners. Having access to any one among many aircraft in a fractional fleet is an advantage over aircraft co-ownership of a single plane.

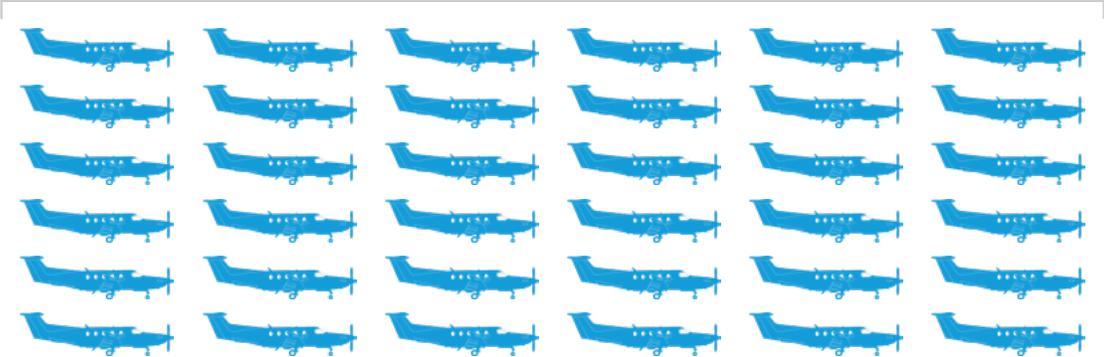
Fractional program managers guarantee the availability of a plane to each fractional owner in the PlaneSense® aircraft fractional program, even when their particular owned aircraft may not be available due to maintenance or other circumstance. For example, aircraft availability is guaranteed with as little as twelve (12) hours' prior notice, depending on the aircraft type owned and the desired destination.

The fractional aircraft industry typically sells shares in sizes that are multiples of 1/16 (1/16, 1/8, 3/16, etc.). In the PlaneSense® program, a 1/16 share provides 50 hours of flight time annually. This allows a share owner to customize their share size based on their flight needs, adding additional shares if they fly more.

Your Aircraft Share



Your Aircraft Share provides access to the entire managed fleet as needed.



FAA regulations governing fractional ownership programs require that when you purchase an aircraft share, you sign an initial “multi-year” aircraft management agreement. The longer the term, the lower the effective “all-in” hourly cost because the purchase price is amortized over a longer period of use. An owner’s share allotment of hours is used for actual hours of “occupied flight,” plus a nominal amount for taxiing time.

Fractional programs vary as to their policies and procedures for fractional owners wishing to exit the program. Some programs have restrictions against selling shares to third parties and require that shares be sold back to the program manager. Other programs like PlaneSense, Inc. are more liberal, and they allow sales to third parties. The more liberal policies generally lead to higher returns to the fractional owner on a sale of the share.

Since a key benefit of fractional aircraft ownership is the liquidity of your investment, it is important that the fractional program manager have a stable and long history in the industry.

REASONS TO FLY FRACTIONAL

Private aviation provides time saving benefits to individuals and businesses. Private aircraft ownership allows travel to be more efficient, productive, and discreet. Business meetings can be conducted in the air, and individuals can avoid time lost due to restrictions of other means of travel. With private flying comes the freedom to control one’s itinerary, and the gift of time. Fractional aircraft ownership programs provide even more benefits to those seeking travel via private jet:

PlaneSense® Fractional Ownership Advantages:

Guaranteed Access

Fractional owners have guaranteed access to either the plane in which they own a share or a similar plane in the managed PlaneSense® fleet.

Ready to Fly When Needed

The PlaneSense® fractional aircraft ownership program guarantees availability with as little as 12 hours’ notice depending on aircraft type and desired destinations.

Fly on Your Schedule

Schedule flights according to your timetable, not an airline’s schedule.

Cost Efficiency

The PlaneSense® fractional program offers an exceptional solution for private flights for a fraction of the cost of whole aircraft purchase, charter and jet card programs.

Reliability

PlaneSense® share owners enjoy the reliability of aircraft and flight crews, especially when compared to other private flight options, such as the inconsistencies often experienced with some charter operations.

Ownership Made Simple

Aircraft ownership management responsibilities such as flight crew management, flight scheduling, ground support, catering, and maintenance are fulfilled by engaging the expertise of the PlaneSense® fractional aircraft program team, which ensures the highest quality of training and safety across the program.

Access to More Airports

Typically, fractional aircraft owners are met at an airport of their choice by an aircraft and crew to be flown to their desired location. Commercial air travel serves approximately 500 airports in North America, with 75% of all traffic directed through the 30 major hubs. Private aviation broadens available airports to over 5,000 in the United States. As a result, the arrival airport is often closer to the final destination, and travel time is further shortened by avoidance of air and ground traffic congestion associated with large metropolitan area airports.

The PlaneSense® program fleet provides even greater reach with the ability to access more airports than other similar programs due to the advanced capabilities of its fleet. The Pilatus PC-12 turboprop is able to access runways as short as 2,000 feet*, including unimproved runways (grass, dirt, crushed coral). The Pilatus PC-24 jet is able to access runways as short as 3,000 feet*.

Quality Aircraft

The state-of-the-art fleet of Pilatus PC-12 turboprops and PC-24 jets are expertly maintained inside and out for an impeccable experience on every flight. The highly trained maintenance technicians and avionics specialists within the PlaneSense® program ensure that every aircraft in the fleet is maintained to the highest of standards.

World Class Service 24/7

Most fractional aircraft ownership programs have customer service representatives who are available around-the-clock to assist fractional owners. The PlaneSense® program is no exception. With its highly trained Flight Operations team available to assist with reservations, catering requests, and more, PlaneSense® share owners benefit from a team dedicated to the needs of each client. Share owners and their passengers will enjoy consistency and reliability of service, comfort, and familiarity with pilots and scheduling personnel.

An Intelligent Solution

Private jet ownership is often valued as an important business tool by companies that choose to invest in private air travel. Fractional ownership allows for faster and easier access to clients, remote facilities, and important business meetings without the delays of commercial flights or inconsistencies of charter operations. With bonus depreciation, some companies may qualify for certain tax benefits**.

Excellent Service at Metro Hubs

Even at major airports, fractional aircraft and other private planes are handled separately from the airlines, with special terminals typically operated by a company referred to as a Fixed Base Operator (FBO). The FBO offers greater service, comfort, and amenities, often including valet parking, business centers, comfortable lounges with Wi-Fi, televisions, and more. Some FBOs allow owners to drive right up to their aircraft for direct access to the plane for passengers and their belongings.

* Some limitations may apply.

** Consult your tax professional for more information.

COST STRUCTURE - PURCHASE, MANAGEMENT AND FLIGHT

Purchase

Just as in whole aircraft ownership, the fractional program participant must first purchase an interest in an airplane. The difference in fractional ownership, however, is that although ownership in an airplane is shared, availability is better than in a whole airplane purchase. The shared ownership model provides access to an entire fleet, not just one plane.

Management

Once a fractional interest in an aircraft is purchased, it has to be managed. Fractional programs are designed to allow the owners' management responsibilities to be fulfilled by the expertise of the fractional program manager. The delegation of management responsibilities to fractional program managers has proven to maximize aviation safety.

The majority of fractional programs charge a monthly management fee to cover those costs associated with aircraft management; most of these costs are incurred whether or not an airplane is flown. These are often referred to as fixed costs. Examples are pilot compensation, pilot training, insurance, aircraft storage, periodic (calendar-based) inspection and maintenance, regular refurbishment, and administration.

Flight

After the fractional share has been purchased and a management agreement with the fractional program manager is in place. The costs left to be accounted for are the costs of flight. Fractional programs generally charge a separate fee for the actual use of the fractional share on an hourly basis, often called the "Hourly Rate Charge" or "Occupied Hourly Charge." The details of this cost are usually also addressed in the aircraft management agreement.

When comparing fractional programs, evaluate what other costs or fees might be charged when the fractional share is flown. Examples may be charges for landing and ramp fees, catering, fuel, positioning charges, taxes, deicing, etc. The PlaneSense® program works diligently to negotiate landing fees, fuel charges, deicing fees, and other costs on behalf of its share owners. Share owners are notified regularly of these outlined costs so they always know their costs up front.





CONCLUSION

An aircraft fractional ownership program can be a convenient way to enjoy the benefits of private, recreational, and business aviation while minimizing the resulting high costs of whole aircraft ownership or charter.

Fractional aircraft share programs are long lasting relationships. Make sure your provider is a leader in the field and has demonstrated a dedication to safety and service. Choose the provider that best suits your individual flying needs. Fractional aircraft ownership should reach far beyond the accessibility of convenient travel; it should exceed expectations in every way imaginable - on every single flight.



World Class Fractional Service for 25 Years

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