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**From:** Barry J. Cohen <[REDACTED]>  
**Sent:** Monday, August 7, 2017 7:45 PM  
**To:** jeffrey E.  
**Subject:** Engine Plans

Banks don't require it. But they increase the amortization on the loan with no program. Our consultants say they agree with you on the RR program helping to boost the owner to the top of the list when it comes to service and repairs. However, they have not observed that prospective buyers have concerns about planes whose owners don't take the program. They say as long as the owner is US corporate or US very high net worth, they will ask questions about not being on the program, but provided the answers are appropriate, it doesn't impact value.

Nonetheless, I think we should take it, because especially as the plane ages, the odds are you recoup the expenditure on resale.

The gift tax case was a from a brief mention in a tax publication that someone was reading. We're trying to track it down.

From: jeffrey E. [mailto:jeevacation@gmail.com]  
Sent: Monday, August 07, 2017 3:39 PM  
To: Barry J. Cohen <[REDACTED]>  
Subject: Re: FW: Honeywell APU Maintenance Plan (MSP)

i also thought . banks usually require engine insurance if they are going to finance in addition have you found the case where the guy paid gift taxes but was charged with fraud . ?

On Mon, Aug 7, 2017 at 3:35 PM, Barry J. Cohen <[REDACTED]> > wrote:

yup

From: jeffrey E. [mailto:jeevacation@gmail.com <mailto:jeevacation@gmail.com> ]  
Sent: Monday, August 07, 2017 3:34 PM  
To: Barry J. Cohen <[REDACTED] <mailto:[REDACTED]> >  
Subject: Re: FW: Honeywell APU Maintenance Plan (MSP)

exactly, take it

On Mon, Aug 7, 2017 at 3:29 PM, Barry J. Cohen <[REDACTED]> wrote:

FYI

From: Tom Mitchell [mailto:[REDACTED]]

Sent: Monday, August 07, 2017 2:55 PM

To: Barry J. Cohen <[REDACTED]>; John Castrucci

<[REDACTED]>

Cc: Lee Rohde <[REDACTED]>; Laurie Nutter

<[REDACTED]>

Subject: Honeywell APU Maintenance Plan (MSP)

Hi Barry and John,

The Honeywell Auxiliary Power Unit (APU), which you probably know is a mini-turbine engine, has a similar maintenance program as Rolls Royce. The name of the program is "MSP" which stands for Maintenance Service Plan. MSP has mirrored most other programs including Rolls Royce. I have listed bullet items for you to consider and will of course be happy to answer additional questions you might have.

- \* The current Buy-In for this APU is \$60,000 which includes a 20% discount being offered by Honeywell.
- \* MSP essentially covers all the labor and parts costs required of an APU during a shop visit (shop visit = equals major disassembly) along with a rental APU.
- \* The current (basic) MSP cost is \$100.62/hour and subject to an annual CPI escalator.
- \* MSP Gold adds removal and installation labor coverage plus routine inspections for an additional \$13.56/hour. (MSP Gold = \$114.18/hour)
- \* MSP Gold plus Logistical Support adds road trip logistical support coverage for an additional \$6.19/hour. MSP Gold with Logistical support = \$120.37/hour

General information:

- \* If APU utilization stayed consistent with the GV, it would generate approximately ½ hour use for every flight hour.
- \* The APU is "on-condition" meaning its performance is monitored to require a shop visit.
- \* Historically, APUs do require shop visits between 2,500 hours and 4,000 hours due to normal wear and tear.
- \* The cost of a normal shop visit would vary from \$150, 000 - \$450,000.
- \* Unscheduled APU failures can occur and repair costs tend to run \$200,000 - \$850,000 (maximum but not common).

Regards,

Tom

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