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LEGAL AND TAX CONSULTANTS TO THE AVIATION INDUSTRY

www.advocatetax.com

Re: Engagement Letter - "Small Piston Aircraft Comprehensive Service Agreement" For Piston Aircraft
With a Gross Take-Off Weight of Less Than 6,000 Pounds, and Costing Less than \$500,000

Dear Client:

The purpose of this letter is to outline the terms of an agreement between your company and Advocate Consulting Legal Group, PLLC, a Florida professional limited liability company with its principal place of business at 3073 Horseshoe Drive South, Suite 210, Naples, Florida 34104 (hereinafter referred to as "Advocate"). By signing this letter you agree to engage Advocate to assist you by providing legal services related to the structuring of the acquisition and operation of an aircraft in a tax efficient manner.

Advocate's legal services will involve assistance in the design of an entity to hold title to an aircraft, integration of aircraft operations into your business structure, outline regulatory and tax filing requirements, and review liability management issues. Advocate will form entities, prepare a purchase contract, draft operating agreements, draft leases, prepare registrations with FAA and state regulatory authorities, and help with planning to minimize sales tax in the state where the aircraft is acquired and use tax in the state where the aircraft is based. Advocate will also provide you with information related to recordkeeping requirements imposed by tax and regulatory requirements.

Advocate will work with you, and your advisors, to assist you with tax, regulatory and operational planning issues related to your aircraft. Advocate will prepare income tax returns for the special purpose entity which holds title to your aircraft, as well as assist in the integration of income tax deductions on tax returns of related entities. Advocate will also advise on preparing aircraft related sales tax returns, property tax returns, and federal excise tax returns where appropriate.

Advocate will assist you with compliance of documentation requirements related to "contemporaneous" recordkeeping requirements imposed on aircraft. Advocate will prepare calculations on income includable for personal use of a business aircraft.

In the event that you are selected for examination by federal, state, or local taxing authorities during the term of this agreement, Advocate will defend your deductions related to the aircraft structure we set up through the administrative appeal level (not including tax court or its state equivalent) at no additional charge. If the examination is not limited to aircraft issues, Advocate will assist your professional with issues related to aircraft deductions. Advocate's services are limited to United States laws and proceedings.

This agreement contemplates the tax management of one aircraft interest for a three-year period; should you replace your aircraft or acquire another, you and Advocate may negotiate an additional fee for those services. Should you dispose of the aircraft during the term of the agreement; this agreement will terminate at the close of the service year of the disposition, with no additional fees owed at the end of that year for early termination. If this agreement is for a contemplated purchase, and no aircraft is ultimately acquired within one year of the date of this letter; you will be responsible only for charges for actual time at our regular hourly rates (not to exceed an average rate of \$300 per hour) plus out-of-pocket expenses, and the agreement will terminate. Upon the expiration of this agreement you may use any of Advocate's documents, planning systems, and methodologies for your own use, but not for any commercial purposes. Following the expiration, or termination, of this agreement, Advocate will have no responsibility for updating you on changes in the law, or other developments that might impact the effectiveness of your methodologies, nor will we be responsible for representing you before taxing or regulatory authorities for any period.

Advocate's annual fee relating to the aforementioned service is \$3,000, payable at the beginning of each service year. Payment is due upon signing this Agreement, and on each subsequent anniversary thereof. This billing structure allows you to make equal annual payments, despite the fact that the work done by Advocate is more extensive in the first year. In case you should terminate Advocate's services before the end of the three-year period, you agree to pay upon termination the excess of the earned fees over the amount paid. The earned fees are \$5,000 in year one, and \$2,000 each in years two and three. There will be no other charge for these services, but you will be responsible for the reimbursement of filing fees advanced by Advocate to state regulatory authorities each year. In the unlikely event that Advocate employees would need to travel in connection with a tax examination, you would be responsible for out-of-pocket travel expense. You may terminate this agreement at any time, effective at the close of the service year, by providing Advocate written notice and paying any outstanding fees including allocated but unpaid first year fees. Upon the expiration of the three-year service period, you and Advocate may mutually agree to renew annually under the same terms.

Advocate will bill you for aircraft taxation services as outlined in this agreement. You agree to pay interest of 1½% per month on the balance of fees owed to Advocate that are 30 days delinquent, and you further agree to pay and be liable for all attorney fees and other expenses incurred by Advocate for the collection of fees due and owing. Should any balance due remain unpaid for over 30 days, Advocate will have the right to suspend the further rendering of service until paid. Client acknowledges that a suspension of services will not relieve Client of a liability for payment and may impact the effectiveness of tax planning and release Advocate of any damage resulting therefrom. This engagement is contingent on Advocate's satisfaction that it does not present a conflict of interest with pre-existing clients.

No party may assign this agreement prior to the written consent of the other party. This agreement shall be binding upon and inure to the benefit of the parties in this agreement and their respective successors and assigns. You shall remain liable even if the ownership of your company changes. This agreement constitutes the entire agreement of the parties with reference to the subject matter hereof, and may not be changed, waived, or modified except in writing signed by both parties. Any and all claims arising under this agreement or the relationship created by it shall be brought only in the courts of Collier County, Florida and shall be governed by Florida law, without regard to its choice of law provisions. By signing below the parties agree to be bound by the terms of this engagement letter.

Sincerely,

Jonathan S. Levy, J.D., Member
Suzanne Meiners-Levy, J.D., Member

Advocate Consulting Legal Group, PLLC

Company

By: _____

Title: _____

Address: _____

Telephone: _____

Date: _____

By: _____

Title: _____

Address: 3073 Horseshoe Dr. South
Suite 210
Naples, Florida 34104
Tel. (888) 325-1942

Date: _____

Payment Information

(Work Will Commence After Payment is Received)

- Please bill my credit card for initial fee
(Please use attached credit card payment form)
- Please also bill my credit card for renewal fees on the anniversary date
- Please contact me for credit card payment via telephone
- Check enclosed or sent under separate cover

Please fax back to (239) 213-0698

INITIAL AIRCRAFT QUESTIONNAIRE

Contact: _____

Company Name: _____

Business Address to be used for all documents and filings: _____

County: _____

Business Phone: _____ Fax: _____

Home Address: _____

Home Phone: _____ Email: _____

Social Security Number: _____ Mobile Phone: _____

Date of Birth: _____ U.S. Citizen: YES NO Drivers License Number & State: _____

N Number: _____ Anticipated Purchase Price: \$ _____ Anticipated Purchase Date: _____

Aircraft Make and Model: _____ New/Used Gross Take-Off Weight: (If Known) _____

Base Airport Name and Identifier: _____ () County: _____

Will you pilot the aircraft or will it be professionally flown? Owner Flown Professionally Flown Combination

Who referred you? _____ Company: _____

Are you financing the Aircraft? YES NO Would you like a financing referral? YES NO

Finance Contact: _____ Phone: _____ Email: _____

Insurance Contact: _____ Phone: _____ Email: _____

Primary Tax Accountant: _____ Phone: _____ Email: _____

Should we include your primary accountant on structuring developments? Yes No

Seller's Name: _____ Phone: _____ Email: _____

Seller's City: _____ State: _____ Airport Code: _____

Do you have business interests or personal residences in any other states outside of your home state? YES NO

OPERATION OF THE AIRCRAFT:		
1.	How many hours do you intend to fly on an annual basis:	
2.	Please allocate these intended hours among the following categories:	
	Business use for a business you own	%
	Business use for a business in which you are merely an employee and have no ownership	%
	* Use by a charter operator	%
	* Use by an unrelated third party such as a flight school	%
	Use for training and maintenance	%
	Personal use	%
	Total (=100%)	100%

* Charter Operator or Flight School (if applicable): _____

MAIL OR FAX
CREDIT CARD PAYMENT INFORMATION

Mail to:
3073 Horseshoe Drive S., Suite 210
Naples, FL 34104

Fax: 239-213-0698

Name as it appears on card

Credit Card Number	(Card Type)	CVV/Sec. Code	Expiration Date
MC / Amex / Visa			

Billing Address on Credit Card

Amount to Charge

Signature of Cardholder:

Date
