



Aliserra Air & Landing

Maintenance and Repair

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Executive Summary

Aliserra Air & Landing, LLC will be established at the beginning of 2015 in order to fill a specific need for a maintenance, repair, and overhaul station certified to repair landing gear in Santiago, Chile. The aviation industry in South America has experienced exceptional growth in the last decade, and is currently the third fastest growing region in the world. Industry experts expect the region to continue to grow for at least the next two decades making this the opportune time for a company such as Aliserra Air & Landing to establish firm roots in the market and exploit the prime conditions. The company will be located in a 10,000 square meter hanger facility on the grounds of the Comodoro Arturo Merino Benitez International Airport in Santiago, Chile.

Market Opportunity

Chile is a prominent emerging market in South America and has experienced large growth in both tourism and global businesses. Commercial passenger aviation has been a fortunate benefactor of this growth. International passenger's air traffic has increased by 1.5% in in 2013 alone. Currently the Comodoro Arturo Merino Benitez International Airport is the sixth busiest airport in South America by measure of passenger traffic and seventh by aircraft movement. Santiago, Chile is the most opportune location for Aliserra Air & Landing, because it currently has no repair station certified to work on landing gear. The closest repair station that is certified to do repair work on landing gear is in Lima, Peru.

Capital Requirements

Aliserra Air & Landing, LLC will seek a \$5,000,000.00 dollar loan after the initial investment of \$1,000,000.00 by each of the principle partners who will also be active executives in the company. The loan will be used for the startup of the business, and to assist with carrying the company for the first year of operation. Estimated startup expenses are as follows:

	Extended Cost
Machine & Equipment Installation and Training	900,000.00
Renovation (office / repair warehouse)	1,500,000.00
Expatriate Relocation	500,000.00
Principle Office Development (Tech Hardware/Software, Communication, Support, Office Furniture, Supplies)	200,000.00
Initial Advertising Campaign (Website Development, Print Advertisement, Trade Show)	100,000.00
Working Capital	221,250.00
Total Pre-Operational Expenses / Use of Funds	3,421,250.00

Mission

It is the mission of Aliserra Air & Landing to help maintain the safety and integrity of the commercial aviation industry by providing quality repair service with precision and efficiency by utilizing the most advanced technologies and highly trained mechanics.

Management

Aliserra Air & Landing, LLC will be led by the knowledgeable and capable executives who are also the founding partners. A brief profile of the executives is provided below:

Elisabeth Sanchez, President and Chief Financial Officer – Elisabeth Sanchez has been the Director of Accounting for a prominent aircraft parts supplier since 2012.

Peter Van Atta – Chief Operating Officer – Peter Van Atta has served as the head of maintenance at Miracle Strip Aviation for 10 years.

Janean Maldonado – Chief Administrative Officer – Janean Maldonado previously headed the Administration department of a prominent aircraft parts supplier since 2011.

Competitors

Aliserra Air & Landing, LLC will have primary competition with aircraft and aircraft parts manufactures, including Boeing, Bombardier, and Airbus who can offer exchange parts for items needing repair. Although, each of these companies has a well-established history in the industry, their services do have several disadvantages. Some of these disadvantages are higher expense, longer turnaround times, and transportation issues.

Competitive Advantages

Aliserra Air & Landing, LLC will be able to overcome these disadvantages with the most recent technology in machinery and by locating the repair station at Comodoro Arturo Merino Benitez International Airport. The company will offer competitive pricing with drastically reduced turnaround time, and additional maintenance programs to prevent longer than expected A.O.G. (airplane on ground) time.

Financial Projections

It is anticipated that Aliserra Air & Landing will break even within 18 months of startup. Sales expectations are based on the number of component parts per aircraft landing gear, the number of aircraft servicing Santiago, the average time between overhauls as set forth by the Federal Aviation Administration and manufacturer guidelines, and the number and proximity of competing MRO's that have landing gear repair certification. Sales revenues are expected to reach \$12,000,000 in three years.

Summary Description of Business

Aliserra Air & Landing is a start-up aviation repair station located at Comodoro Arturo Merino Benitez International Airport in Santiago, Chile. The company will offer repair services for both narrow and wide-body commercial aircraft with specialization in the repair of landing gear. This specialization will be unique to Aliserra Air & Landing, as there are currently no existing repair station in Chile certified by the Federal Aviation Authority (FAA) to perform landing gear repair which is required for repairs to be performed on any commercial aircraft. By offering these specialized services Aliserra Air & Landing will establish a competitive advantage within the Chilean market.

By locating its facility on the grounds of the largest international airport in Santiago, Aliserra Air & Landing will have strategically positioned its operations in the optimum venue for creating accessibility to its main customers – the commercial airlines servicing the region. Time constraints are a prime concern in the airline industry. Time management is crucial to the maintenance of the meticulously planned out schedules and routes of airline traffic. Both routine scheduled maintenance and unanticipated repairs must be carried out as quickly as is safe to do. Locating the repair station within walking distances of its customers will allow Aliserra Air & Landing to reduce the time an aircraft is grounded thereby providing added value to the services rendered to its customers without jeopardizing the safety and quality of its work.

Mission

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Business Model

The company will offer a range of testing and maintenance services for both routine maintenance and emergency repairs on hydraulic, mechanical and electrical components of landing gear. In addition, Aliserra Air & Landing will offer maintenance of wheels and brakes including hydraulic and electrical brake systems. With FAA 145 Repair Station Certification rated for Limited Landing Gear Components and Limited Specialized Services, Aliserra Air & Landing will be able to offer specialized services to its customers on site reducing critical aircraft ground time.

Also, as well as being the busiest airport in the country, Comodoro Arturo Merino Benitez International Airport is also headquarters for the 2nd Air Brigade and base for the 10th Aviation Group of the Chilean Air Force. With close proximity to the Chilean Air Force an opportunity for future governmental contracts may be available once Aliserra Air & Landing has proven its value and expertise to the civil market.

Start-up Strategy

Aliserra Air & Landing has established a strong and distinct plan that will assist in the establishment of the company as the principal provider of landing gear repair, maintenance, and specialized avionics repair services in robust and emerging Chilean market. At the head of this plan, is the procurement of a hanger facility on the premises of the Santiago International Airport which is owned by the Chilean state and operated by a consortium of three companies. The facility that the company will require must be approximately 10,000 square meters, and will be leased for a minimum of ten years.

Once the facilities have been secured, the company will began the dual process of obtaining machinery and tooling for the repair station, as well as, recruiting personal. The required machinery will be obtained through the Original Equipment Manufacturers (OEM) and qualified manufacturers of avionics equipment providers such as Kunz of Germany. Tooling will be obtained from FAA approved suppliers.

Recruitment for positions requiring licenses will be conducted through the utilization of aviation employment agencies in both the Latin American region and in the United States. Employment advertisements will be submitted to the following aviation training facilities:

South America

- Aircraft Training Center – Capital Federal, Argentina
- Corporacion Educativa Indoamericana – Bogota D.C., Colombia

- Instituto de Estudios Tecnicos Aeronauticos – Bogota D.C., Colombia
- Centro Educacional de Aviacao do Brasil – Sao Paulo, Brazil

United States

- Embry-Riddle Aeronautical University – Daytona Beach, Florida
- George T. Baker Aviation School – Miami, Florida
- American Airman Ground School – Ronkonkoma, New York
- Stratford School for Aviation Maintenance Technicians – Stratford, Connecticut

Recruitment of all non-licensed administrative staff will be conducted through personal recommendation and staffing agencies.

Part 145 – Repair Station Application

The application process for 145 repair station certification is anticipated to take up to six months. All equipment for the repair station, personnel and staff, technical data, and facility must be ready for operations prior to the inspection by the FAA. Requirements that must be completed at the time of inspection are as follows:

An application for a repair station certificate and rating must be made in a format acceptable to the FAA and must include the following:

- (1) A repair station manual acceptable to the FAA as required by §145.207;
- (2) A quality control manual acceptable to the FAA as required by §145.211(c);
- (3) A list by type, make, or model, as appropriate, of each article for which the application is made;
- (4) An organizational chart of the repair station and the names and titles of managing and supervisory personnel;
- (5) A description of the housing and facilities, including the physical address, in accordance with §145.103;
- (6) A list of the maintenance functions, for approval by the FAA, to be performed for the repair station under contract by another person in accordance with §145.217; and
- (7) A training program for approval by the FAA in accordance with §145.163.

The equipment, personnel, technical data, and housing and facilities required for the certificate and rating, or for an additional rating must be in place for inspection at the time of certification or rating approval by the FAA. An applicant may meet the equipment requirement of this paragraph if the applicant has a contract acceptable to the FAA with another person to make the equipment available to the applicant at the time of certification and at any time that it is necessary when the relevant work is being performed by the repair station.

In addition to meeting the other applicable requirements for a repair station certificate and rating, an applicant for a repair station certificate and rating located outside the United States must meet the following requirements:

(1) The applicant must show that the repair station certificate and/or rating is necessary for maintaining or altering the following:

(i) U.S.-registered aircraft and articles for use on U.S.-registered aircraft, or

(ii) Foreign-registered aircraft operated under the provisions of part 121 or part 135, and articles for use on these aircraft.

(2) The applicant must show that the fee prescribed by the FAA has been paid.

An application for an additional rating, amended repair station certificate, or renewal of a repair station certificate must be made in a format acceptable to the FAA. The application must include only that information necessary to substantiate the change or renewal of the certificate.¹

Until certification has been secured, repairs can be made on smaller private air craft registered in Chile for private and regional use. Repairs and inspections on helicopters are not regulated and will be used to supplemental income until such time that certification has been granted by the FAA.

Products and Services

Aliserra Air & Landing will offer four categories of services to three types of customers. The services will consist of Inspections, Testing, Routine Maintenance, Overhaul Repair and Certification of Airworthiness on Boeing 737, 747, 767, 777, and Airbus 318, 319, and 320 aircraft. These services will be offered to Commercial Passenger Airlines, Commercial Cargo Airlines, and Government / Military Agencies. Each customer will be offered the same services.

Inspections will be conducted on wheel pants, fairings, tires, wheel bearings, axle/brake area, and brake cylinders for any cracks, wear, loose or missing fasteners. Brake lines and linings will be inspected for condition and leaks, and tire pressure will be checked.

Testing of gear drop and fatigue capabilities of landing gear with up to 200 metric tons maximum landing weighting will be offered. Apparatus testing will be provided for proper function of all landing gear component parts. All Non-Destructive Testing (NDT) will be conducted with the use of x-ray and florescent penetration imaging.

Maintenance services will be offered as routine schedules require including cleaning with glass or plastic blast media as required preventing damage or deterioration of materials. Repair and/or replacement of any parts that demonstrate wear, cracking, or fatigue during inspection and

¹ <http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=3919e29547ea3b17476f78679c9effcc&rgn=div5&view=text&node=14:3.0.1.2.19&idno=14>

testing; bearing and bushing replacement; and re-plating, priming and painting to prevent corrosion. Routine wheel and brake services will also be offered upon request.

Overhaul Repair service encompasses every stage of the inspecting, testing, and maintenance service categories, with the addition of repairing cracks and corrosion in critical parts of the landing gear. Upon receipt of a landing gear assembly, the gear is disassembled into individual parts. Each part is cleaned having all layers of debris and protective coatings removed for thorough inspection. Visual and non-destructive inspections are conducted on every component part, and repairs are made based on the original manufacturers specifications. Parts will be overhauled to like new condition. The individual parts are then retreated with paint or protective covering, re-assembled, and complete testing will be conducted.

Certification of Airworthiness will be completed for all parts released by Aliserra Air & Landing for active use. A complete and thorough FAA Form 8130-3 will be provided giving approval for the return to service of each part. Any part deemed unqualified for airworthiness will be reported to the FAA and EASA as required for further inspection and disposition.

Customer Profiles

Aliserra Air & Landing will target three primary categories of customers:

- Commercial Passenger Airlines
- Commercial Cargo Airlines
- Governmental / Military

The aviation industry offers a limited amount of potential customers. The above referenced customers will offer the most potential for success if a favorable market share is achieved. Although there are a limited number of customers available in the aviation industry, there are also a limited number of competitors. This limited competition should enable Aliserra Air & Landing to establish itself as vital component in the Chilean Aviation Market.

The following chart gives a synopsis of the number of potential customers and aircraft that currently make up each category mentioned above. These numbers are anticipated to change on regular basis as flights are added and removed, and as airlines change hands. As the market analysis will show however, the trend is that the numbers will only continue to increase in the near future.

	COMMERCIAL PASSENGER AIRLINES	COMMERCIAL CARGO AIRLINES	GOVERNMENT / MILITARY
No. OF PARTICIPANTS	18	5	3
No. OF AIRCRAFT	220	25	UNK

Administrative Plan

Legal Structure

Aliserra Air & Landing will be incorporated in the country of Chile, as a limited liability corporation by the same name. Chile's Corporate Governance is very similar to the United States. The limited liability corporation can be created by two or more contributing members. Each member is only liable up to the amount of their contribution. There is no restriction on foreign investment or regulations requiring any Chilean ownership in the company. There will be three founding members of the company; Elisabeth Sanchez, Peter Van Atta, and Janean Maldonado. The division of ownership will be 40%, 30%, and 30% respectively.

Corporate Offices: Elisabeth Sanchez, President and Chief Financial Officer
Peter Van Atta, Vice-President and Chief Operating Officer
Janean Maldonado, Chief Administrative Officer

As a limited liability corporation, the overall development and course of the company will be under the control of the corporate officers by way of voting. The President and Vice-President will each hold two votes and the Chief Administrative Officer will hold one. Each officer will work for the company on a full time basis heading their respective divisions of the company for a minimum of two years.

Management

Chief Operating Officer. The Chief Operating Officer will be responsible for day-to-day operations of the repair station, including the direct oversight of Quality Control, Maintenance, Engineering, and Material Control departments. The duties of the COO will be to:

1. Ensure sufficiently trained and certified personnel are available for each department.
2. Ensure that all required tooling, equipment, and materials are available in each department.
3. Ensure all regulations by governing agencies are followed every day.
4. Ensure all Repair Station Manuals are up to date, and readily available to all personnel.

The COO may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Director of Accountability. The Director of Accountability will report directly to the COO, and will be responsible for ensuring that the repair station is operated in accordance with all FAA 145 and EASA regulations. He must ensure that the repair station maintains the appropriate standards with regards to facilities, personnel training and certification, and equipment.

The duties of the Director of Accountability will be to:

1. Ensure that the operational manual and all revisions are maintained according to FAA and EASA standards.
2. Ensure that hiring standards for personnel requiring certification remains current with all regulations.
3. Ensure that all continuing education and training for necessary personnel remains current.
4. Ensure that all maintenance logs and work orders are accurately and completely executed.
5. Act as contact person between Aliserra Air & Landing and the FAA and EASA.

The COO may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Quality Control Manager. The Quality Control Manager will report directly to the General Manager and is responsible for the assurance of all work completed by Aliserra Air & Landing. The Quality Control Manager has all *final authority* to release repaired parts and aircraft as airworthy. He will be responsible for the development inspection standards based on all Federal Aviation Regulations, and manufacturer's instructions and requirements. He must oversee the implementation of the standards, ensuring all methods and procedures are followed without deviation.

The duties of the Quality Control Manager will be to:

1. Supervise all personnel within the Quality Control Department
2. Ensure that all standards for inspections are followed precisely, and that all required documentation is accurately and completely executed PRIOR to the release of any repaired part or aircraft.
3. Ensure that all information pertaining to any part that the repair station has the capability to repair is on-hand and up to date. This includes all manufacturer's manuals, part specifications, any FAA approved data, service bulletins and any technical data used by the repair station.
4. Ensure that all inspection tools are calibrated and functioning as specified, and that all required documentation of tool inspections and calibrations are kept current.
5. Ensure that no non-serviceable, un-airworthy, or defective part is installed on any aircraft or component.
6. Ensure proper reporting of all parts or aircraft deemed un-airworthy as stipulated by FAA 14CFR§145.221.
7. Ensure the accurate and complete execution of all maintenance release and FAA Major Repair or Alteration Reports (Fomr 337) as required.
8. Oversee the inspection of all inbound material for airworthiness PRIOR to its use on any part or aircraft to be repaired.

9. Ensure all parts are properly tagged and identified as specified in the repair station operations manual.
10. Secure un-airworthy parts in quarantine and maintain control of quarantined items ensuring that no un-airworthy part may be reused.
11. Maintain all inspection records and reports for adequate availability upon request.
12. Ensure that all regulatory information is kept up to date, including all FAA and EASA directives.
13. Ensure that all repairs are conducted according to the carriers' manual requirements.

The Quality Control Manager may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Director of Maintenance. The Director of Maintenance will report directly to the COO and will be responsible for the maintenance, alterations, repairs, and overhauls conducted by the repair station.

The duties of the Director of Maintenance will be to:

1. Maintain the schedules of the shop prior and during the performance of all repair station functions.
2. Manage and supervisor all maintenance personnel during their execution of duties.
3. Ensure all repairs are completed following all FAA and EASA codes, regulations, and manufacture specifications with the timeframe of repair station schedules.
4. Ensure that all personnel complete maintenance records accurately for all maintenance performed on a daily basis.
5. Develop (start-up function only) and maintain, in coordination with COO and Quality Control Manager, proper safety and procedural manuals for repair station.
6. Ensure complete training of all personnel on proper safety and operational procedures for repair station.
7. Oversee handling of parts during the execution of repairs to ensure proper safeguarding of parts during maintenance processes.
8. Ensure proper maintenance, function, and calibration of all maintenance tooling, testing equipment and machinery.
9. Coordinate with Sales & Marketing Manager, and Material Manager, in the creation of bids for special projects as needed.
10. Ensure complete and accurate entries are executed in maintenance logs, on work orders, and Operator/Air Carrier manuals
11. Ensure that maintenance areas are maintained in a clean, orderly manner, and in compliance with all FAA Environmental Condition Specifications.

The Director of Maintenance may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Engineering Manager. The Engineering Manager will report directly to the COO and is responsible for the development and submission of all required engineering drawings to the FAA and for the application and maintenance of proper FAA certifications in regards to engineering for the repair station. The Engineering Manager will provide assistance, as needed, to Project Managers during the completion of projects.

The duties of the Engineering Manager will be to:

1. Develop and submit for approval to the FAA all required engineering drawings and documentation required by the Flight Standards District Office or Aircraft Certification Office.
2. Maintain FAA certifications of the Engineering Department.
3. Provide engineering and technical aid to Project Managers and Mechanics during the execution of maintenance and repairs.
4. Maintain Engineering Department schedules.
5. Coordinate with Project Managers, and Sales & Marketing Managers, as need, to provide customer support regarding special projects.

The Engineering Manager may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Materials Control Manager. The Materials Control Manager will report directly to the COO and will be responsible for the supervision, planning, and directing of all functions of the Parts department.

The duties of the Materials Control Manager will be to:

1. Create (start-up function only), revise and maintain approved MRO and part supplier list.
2. Create (start-up function only), revise and maintain departmental procedures to ensure that no unapproved parts are accepted.
3. Maintaining inventory control to ensure that all required parts and material are available when required for on-time completion of scheduled maintenance, repairs, and overhauls.
4. Ensure proper training of support staff to guarantee any questionable part is identified and segregated.
5. Ensure proper training of support staff on all inventory management and control procedures, including core and warranty procedures.
6. Supervise, plan and direct customer service and inventory control to ensure overall goals are achieved and that company standards, policies, and procedures are maintained.
7. Act as main contact in the coordination between Inventory Control and other departments.
8. Prepare departmental reports, including department budget forecasts.

The Materials Control Manager may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Chief Administrative Officer. The Chief Administrative Officer will report the CEO and will be responsible for day-to-day administrative operations of the repair station, including the direct oversight of the Sales & Marketing and the Human Resources departments. The duties of the CAO will be to:

1. Create (start-up function only), revise and maintain departmental procedures.
2. Ensure proper training of all personnel on department procedures including confidentiality requirements.
3. Prepare departmental reports, including department budget forecasts.
4. Develop, in coordination with Human Resource Manager and other Department heads, recruitment standards for all personnel, especially pertaining to positions requiring specialized training and certifications.
5. Ensure all regulations by governing agencies are followed every day.
6. Ensure all Administrative Manuals are up to date, and readily available to all personnel.
7. Develop and maintain marketing material to ensure accuracy and relevance.
8. Coordinate with CFO and COO to create and execute strategic and operational strategies.

The Chief Administrative Officer may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Human Resources Manager. The Human Resources Manager will report directly to the CAO and will be responsible for the recruitment of employees, compensation, personnel policies, and compliance with all regulations regarding employer standards. The duties of the Human Resource Manager will be to:

1. Manage employee compensation, benefits and performance evaluation procedures.
2. Provide staffing recruitment, interviewing, and selection for all departments.
3. Create comprehensive written record job duties, policies, working conditions, wages, benefits and opportunities for advancement for each position.
4. Supervise, direct, and oversee staffing issues, including under-staffing, conflict resolution, employee dismissal, and administration of disciplinary action.
5. Develop and maintain company equal opportunity employment, discrimination, and harassment policies and training program.
6. Implement training of all employees, including management, on company equal opportunity employment, discrimination and harassment policies.

The Human Resources Manager may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Sales & Marketing Manager. The Marketing & Sales Manager will report directly to the Chief Administration Officer and will be responsible for the development and implementation of marketing strategies, supervision sales operations, and management of customer account relations. The duties of the Marketing & Sales Manager will be to:

1. Develop and maintain comprehensive customer analysis for all existing and potential customers.
2. Develop department reports including forecasting requirements for department budget and target sales projections.
3. Meet set target projections, and budgeted forecasts through departmental procedures.
4. Monitor competition, costs fluctuations, supply and demand, and develop sales strategies to meet target objectives.
5. Develop advertising, personal sells strategies and promotional programs.
6. Evaluation potential market opportunities by analysis of customer needs and make recommendations to top management.

The Marketing & Sales Manager may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Director of Accounting. The Director of Accounting will report directly to the Chief Financial Officer, and will be responsible for the execution of all accounting and financial reporting according to the regulation of the all applicable governances, the development and implementation of internal controls and the oversight of the of issuing customer credits, accounts receivable and accounts payable. The duties of the Director of Accounting will be to:

1. Supervise all accounting functions, cash management and reconciliation, financial reporting, balance sheet management, customer credit to risk assessment, accounts receivable, and accounts payable.
2. Develop and implement internal controls to protect company assets and maintain confidentiality.
3. Ensure proper application and timing of revenue recognition rules.
4. Ensure that all financial records are executed in accordance with regulations.
5. Complete monthly and quarterly reconciliations.
6. Ensure that payroll and payroll taxes are reported and filed in accordance with local payroll and social security regulations.
7. Ensure proper training of all accounting employees on department procedures.

The Director of Accounting may delegate duties to other qualified personnel as required, but may in no way relinquish responsibility of said duties.

Personnel

Quality Control Inspector. The Quality Control Inspector will report directly to the Quality Control Manager, and will be responsible for performing all Quality Control Inspection under the guidance of the Quality Control Manager.

The duties of the Quality Control Inspector will be to:

1. Ensure proper inspection class for all aircraft to be inspected.
2. Ensure that inspections and maintenance work completed by repair station are executed accurately and completely.
3. Coordinate with management and Mechanics to ensure that all reporting and documentation of repairs and inspection conducted by the repair station are completed accurately PRIOR to any work being released from the repair station.
4. Produce maintenance report entries for all aircrafts and parts repaired by the station in compliance with FAR Part 43 and the standards set for in the Aliserra Air & Landing Operational manual. This includes processing of FAA forms 337 and 8130-3 when appropriate.
5. Maintain adequate communication with Quality Control Manager regarding any improvements that may be necessary to ensure proper Quality Control in the repair station.
6. Ensure that any FAA Form 8010- Malfunction and Defect Reports are filed with the FAA within 96 hours detection of initial malfunction or defect as required by 14CFR§145.221.
7. Aid in the inspection of parts upon receiving into the repair station as need by Quality Control Manager.
8. Ensure records in Operator/Air Carrier manuals are executed accurately and completely.
9. Ensure that Quality Control Department is maintained in an order and clean manner.
10. Assist Quality Control Manager as needed.

Project Manager. Project Managers will report directly to the Maintenance Manager and/or the Chief Operating Officer and will be responsible for development, oversight, and progress of projects which will be assigned by management.

The duties of the Program Manager will be as follows:

1. Develop specific maintenance, repair or overhaul project assigned by management.
2. Delegate, oversee, and track performance of assigned work of Mechanics.
3. Give updates and final status reports to customers regarding all aspects of work performed on aircraft.
4. Supervise Mechanic teams and operations on a daily basis to ensure accuracy of work, and that project remains of schedule.
5. Ensure that all work is performed according to all FAA, EASA, and Aliserra Air & Landing codes and standards.

6. Ensure that all policies of Aliserra Air & Landing are following explicitly.
7. Ensure that an environment of positive customer service is constant.
8. Assist with the completion of paperwork for all assigned projects including work orders and FAA paperwork.
9. Complete any other work related duties assigned by the Maintenance Manager or Chief Operating Officer.

Mechanic. Mechanics will report directly to the Project Managers, and are responsible for the performance of the maintenance, repairs, and overhaul of parts and aircraft.

The duties of the Mechanics will be to:

1. Conduct general mechanical repairs and maintenance.
2. Conduct troubleshooting on aircraft as needed.
3. Conduct ground runs on aircraft
4. Conduct maintenance and repair on equipment, machinery and tools as needed.
5. Make entries in maintenance logs, on work orders, and in Operator/Air Carrier Manuals as needed.
6. Conduct any job duties as assigned by Project Managers or Management.

Engineer. The Engineer will report directly to the Engineering Manager, and will be responsible for the performance of the functions of the Engineering Department.

Engineers must have a thorough knowledge of the regulations of the aviation industry and systems, and of the FAA certification documents and application process. Project responsibilities will vary, and Engineers may need to work independently or with direct contact with customers. Engineers will be required to work with Project Managers and Mechanics to ensure the completion of projects on schedule.

The duties of the Engineers will be to:

1. Provide technical and engineering assistance to Project Managers and Mechanics as needed.
2. Act as customer liaison for ongoing projects.
3. Create engineering drawings and illustrations utilizing CAD software.
4. Create engineering documentation.
5. Assist Engineering Manager in the evaluation, design, and implementation of projects to improve the function of the repair station or to complete projects.
6. Assist with the creation of bids as necessary.
7. Work independently or in conjunction with customers on projects as required by Engineering Manager.
8. Ensure that the Engineering Department in run and kept in an orderly manner.
9. Provide aid to Engineering Manager with FAA certifications.

Parts Controller. The Parts Controller will report directly to the Materials Control Manager and will be responsible for supervision, planning, and control of the inventory.

The duties of the Parts Controller will be to:

1. Manage inventory operations.
2. Collaborate with all managers to ensure the accurate and timely distribution of necessary materials for the complete of projects, and the smooth operations of the repair station.
3. Ensure accuracy and efficiency of all inventory personnel.
4. Ensure procedures are followed precisely to ensure that no unapproved parts are received and distributed to for use in any project.
5. Aid Materials Control Manager with training of purchasing staff to ensure that unapproved parts are not purchased.
6. Manage inventory procedures regarding core and warranty issues.
7. Coordinate communications between the Parts Department, other departments, and with vendors.
8. Prepare reports for the progress of purchase agreements, departmental budgets including forecasting, and other recommendations as needed.
9. Oversight and implementation of internal programs for the Part Department, such as training, cost reduction initiatives, and work flow simplification.
10. Ensure that all rules, regulations, and safety procedures are following to protect the personnel and inventory assets of the repair station.

Purchaser. Purchasers will report directly to the Materials Control Manager, and will be responsible for searching Original Equipment Manufacturers and independent part supplier's availability of needed parts, and purchasing parts from the best possible source while conserving cost as possible. This includes ensuring traceability of parts.

The duties of purchasers will be to:

1. Create purchase orders for required parts.
2. Search for and order parts from appropriate parts suppliers.
3. Ensure traceability of parts ordered.
4. Ensure proper records for all required parts purchased.
5. Communicate with departments which have requested parts to update the status of the order.
6. Ensure adequate stock levels of all materials that are required to be on-hand at all times.
7. Complete any other jobs duties assigned by management as needed.

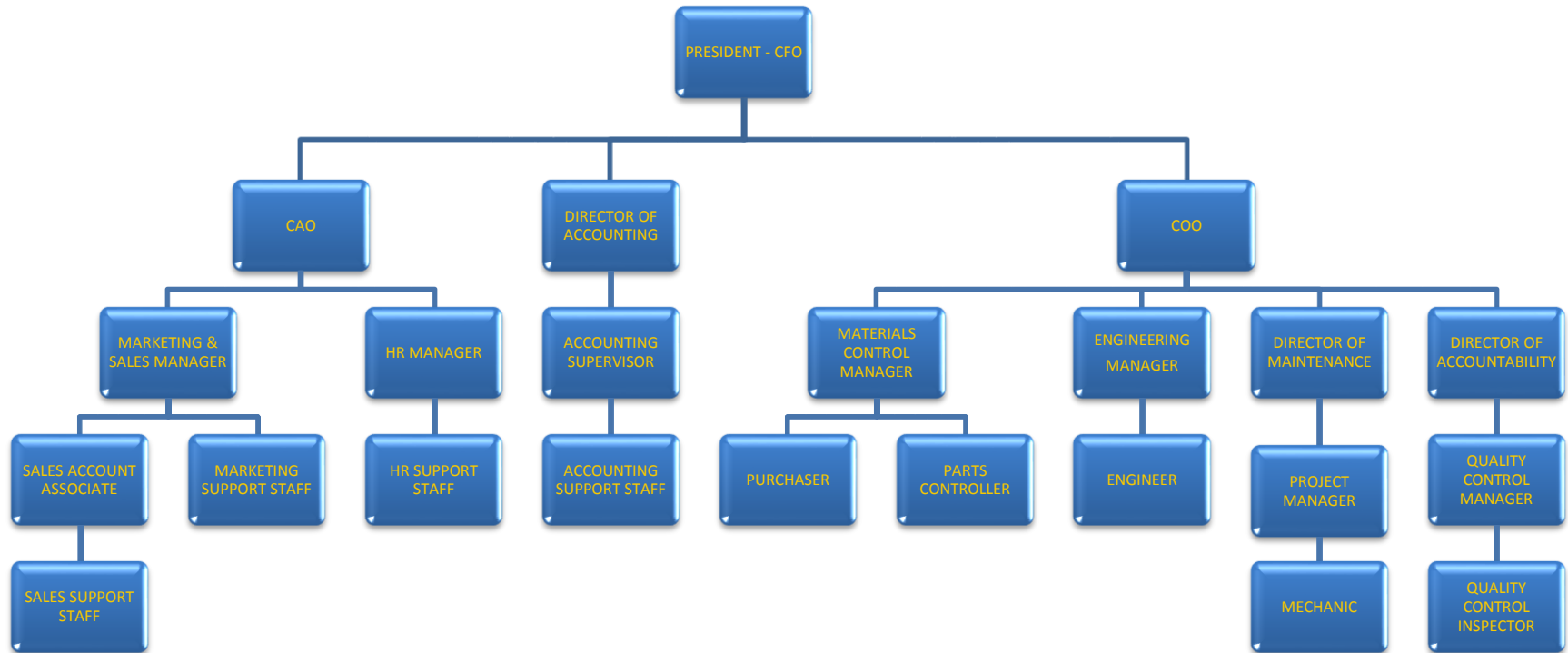
Sales Account Associate. The Sales Account Associate will report directly to the Marketing & Sales Manager and/or the Chief Administrative Officer, and will be build strong customer relationships, generate sales and contracts.

The duties of the Sales Account Associate will be to:

1. Build sales for maintenance, repair and/or overhaul in person and over the phone
2. Build a strong knowledge of customers in the market.
3. Meet customers in-house or on location to build relationships between customers and Aliserra Air & Landing
4. Act as representatives of Aliserra Air & Landing
5. Create customer quotes in coordination with other departments as need, and follow up with requesting customer.
6. Ensure contract processing in accordance with customer specification.
7. Create report for quoted customers, and cold calls made.
8. Review and process warranty claims. This includes communication with Engineers and Maintenance Department to determine if required repair is due to damage caused by customer.
9. Assist with developing specialized marketing strategies for customers and potential customers with which relationships are being cultivated.
10. Complete any work related duties assigned by Sales & Marketing Manager.

Departmental Support Staff. Support staff will report to directly to respective Manager for the department for which they are assigned, and will be responsible for assisting with the successful function of the each department. Such as filing, word processing, message service, scanning, shredding, etc.

Aliserra Air & Landing Organizational Chart



Accounting and Legal

Accounting

The Accounting Department will be responsible for all daily and operational bookkeeping and financial reporting. Traverse accounting software will be used for daily bookkeeping procedures. Annual tax preparation and filing will be completed by Ernst & Young of Santiago, Chile. Ernst & Young is a globally renowned accounting firm with extensive knowledge and a positive reputation. As a start-up corporation with all international founding members, hiring an accounting firm familiar with the Chilean tax code will help to protect the company's assets and ensure a better position for successful launching of the corporation.

Quantum Control from Component Control will be the integrated business software used to control inventory, and track all data associated with work orders, purchase orders, customer quotes and contracts, and maintenance, repairs, and overhaul reporting. Quantum Control will be available on the company internal network, updated daily, and will allow for the real time exchange of information between departments. Customers will have limited access to information through customer portals via the World Wide Web.

Legal

Legal advice, contract, including corporation organization and financial contracts, and other legal matters will be provided by Carey of Santiago, Chile. Carey is the largest law firm in Chile, and has been awarded many honors and recognitions. They have specialist in the Aviation and Maritime Industries, including regulation and registrations. The law firm has been selected for their years of experience and knowledge of the idiosyncrasies of the aviation industry from safety regulations to taxation and employment laws.

Insurance

Line of Coverage	Carrier	Premium	Limit	
Commercial Package Policy - General Liability	Hartford	\$25,000	\$10,000,000	General Aggregate
			\$5,000,000	Each Occurrence
			\$5,000,000	Personal & Advertising Injury
			\$300,000	Damage to Rented Premises
			\$50,000	Medical Expense
			\$5,000,000	Hired/Non-Owned Auto Liability
			<u>Employee Benefits Liability:</u>	
			\$7,000,000	Aggregate Limit
			\$2,000,000	Each Employee Limit
Workers Comp - Employers Liability	Hartford	\$18,000	\$1,000,000	Each Accident
			\$1,000,000	Policy Limit
			\$1,000,000	Each Employee
Commercial Package Policy - Property Location #1	Lloyds of London	\$30,000	\$20,000,000	Business Personal Property
			\$25,000	Special incl. theft
			\$2,500	Theft Coverage
Products Liability Umbrella	Hartford	\$35,000	\$15,000,000	Aggregate Limit
			\$15,000,000	Each Occurrence Limit
			\$20,000	Retention - Each Occurrence

Aviation Products Liability	Chartis Aerospac e	\$45,000	\$250,000, 000	Aggregate
			\$125,000, 000	Grounding Liability
			\$50,000,0 00	War Liability

Security

Aliserra Air & Landing understands the gravity of security in the aviation industry – from the need to protect the safety and security of the passengers and crews who will fly in the aircraft which we repair, to the privacy of customers. Strategic steps will be taken to ensure the security of our physical facilities, as well as, the storage and transmission of electronic data.

Our grounds will be secured with advanced Point of Entry security locks which can only be accessed with programmed access cards that will be dispersed to authorized personnel only. Access to employees will be limited to the areas for which access is needed in order to complete their assigned tasks. Access will also be restricted by the hours for which an employee is scheduled to work. No employee will be able to enter the premises during their personal time without being checked in. The premises will be monitored 24 hours a day with video recordings. All guests visiting the repair station will be required to show identification. The time of arrival and departure, as well as, the identity of all guests will be recorded. All guests must be accompanied by an approved employee at all times. No guest or unapproved employee will be allowed in maintenance areas under any circumstances.

The computer network system will be a closed internal network, monitored by Capterra Network Security Software. Employee internet access will be limited based on need depending on the position. Employees will be given an email hosted by Aliserra Air & Landing. The email will be restricted from personal use and will be monitored. No access to personal email accounts such as Yahoo or Gmail will be permitted from network computers. This is in an effort to protect the safety and security of the trade secrets, and customer privacy.

Marketing Plan

Summary

The Aviation Industry offers such a unique market, because it is a multi-billion dollar industry; however, it has relatively few market players. This presents the challenge of creating highly individualized market plans, not just by customer category, but also as specific as individual customers. Aliserra Air & Landing has developed a strategy to allow for the constant evolution of market plans specifically designed to reach individually target customers while meeting the objectives and goals of the repair station.

The initial phase of the marketing strategy will be to develop a broad market awareness of Aliserra Air & Landing through advertisements in trade publication, attendance at trade shows and conferences, and direct mailing to potential customers. Website development and strategic search engine placement will be completed during this initial marketing strategy implementation.

The second phase of the strategy will be a more permanent function of individual customer relationship building through direct contact, cold calls, facility tours, and promotional activities, such as sponsoring company lunches for customers.

Goals

- Build a large brand recognition in a relatively small market
- Build a strong awareness of services provided to all airlines
- Build a strong customer base of regular maintenance contracts with local airlines
- Build a large customer base for emergency repair and overhaul services for foreign airlines

Market Analysis

Customer Profiles

The following is a description of the three categories of air traffic currently utilizing the facilities of the Chilean International Airport which are potential customers of Aliserra Air & Landing. A detailed account of each potential customer's fleet is also given.

Commercial Passenger Airlines

There are currently three airlines that dominate both the domestic and international passenger air traffic in Santiago:



LAN Airlines is the industry leader for both domestic and international flights into and out of Chile. Originally a company of the state of Chile, LAN has since privatized and has joined Oneworld, the largest airline alliance.² LAN Chile as a potential customer is unique in that it will also be a competitor. The airline also maintains their aircraft, and the main maintenance hub is located at the Santiago International airport. For information about how Aliserra Air & Landing will be able to distinguish itself from the LAN Chile's own repair station can be found in the Market Analysis – Competition section. As a potential customer LAN Chile has the largest airline fleet operating in the country, providing a majority of the flights, as well as offering service flights for other airlines, and aircraft leasing.



SKY Airlines is the second largest airline by domestic travel within Chile. The airline offers international and charter flights within South America. Sky Airline currently has no repair capabilities, contracting this work out to Mantenimiento Aeronautico LTDA. In May of 2013, La Agencia Nacional de Aviacion Civil de Brasil authorized Sky Airlines to begin flights from Santiago to Sao Paulo, Brazil.



Aerolinea Principal Chile S.A., more commonly known as PAL Airlines, is the third largest airline by domestic travel within Chile. It is the youngest of the three dominate airlines with its inaugural flight in June of 2009. In August 2013, the owners of PAL Airlines made an interesting strategic move by cancelling all future services flights. The move is intended to allow the airline to focus more on its domestic charter service which is growing more rapidly. The company has expectations of their charter flights to increase by 75%.

² http://www.lan.com/es_cl/sitio_empresas/nolog/lan_empresas/comunicado_alianza_latam.html retrieved Nov. 28, 2013

Other airlines who maintain regular flights to Comodoro Arturo Merino Benitez International Airport but that are not headquartered in the country nor have any repair capabilities on the ground in the country are:

-  Aerolineas Argentinas
-  AeroMexico Aerovias de Mexico
-  Air Canada
-  Air France – KLM
-  American Airlines
-  Argentina Airline
-  Avianca Aeronias Del Continente Americano
-  Copa Compania Panamena de Aviacion
-  Delta Airlines
-  GOL
-  Iberia
-  Korean Air
-  Qantas Airways
-  Transportes Aereos del Continente Americano
-  Tam

These airlines offer great potential for becoming customers of Aliserra Air & Landing. While a large contract from a more dominate airline in the region would be ideal and will be perused, it is more likely that the majority of the business will come from these airlines that do not have any repair capabilities on the ground in Chile. As will be demonstrated further in the Market Analysis – Competition section the existing repairs stations located at Comodoro Arturo Merino Benitez International Airport do not offer the services that Aliserra Air & Landing, and large repair stations, such as the one operated by LAN Airlines will give priority to their own aircraft. This forces the other passenger airlines to either wait, bring in parts/repairman to do offsite repairs which can be very costly in comparison to an onsite repair, or the airline must bring in another aircraft to replace the AOG (airplane on ground). Aliserra Air & Landing plans to offer the vital repairs other repair stations cannot offer to the customer who is in the position with the most need.

The following chart is a summary of potential Commercial Passenger Airline customers and their fleet's currently utilizing Comodoro Arturo Merino Benitez International Airport.

	Airbus A310	Airbus A318	Airbus A319	Airbus A320	Airbus A321	Airbus A330	Airbus A340	BEECHCRAFT KING AIR	BOEING 737	Boeing 747	Boeing 767	Boeing 767	Boeing 777	Boeing 787	Embraer 190
AEROLINEAS ARGENTINAS						2	1			1					
AEROMEXICO												1			
AEROVIAS DE MEXICO															
AIR CANADA													2		
AIR FRANCE - KLM													2		
AMERICAN AIRLINES				2							4	1	1		
ARGENTINIA AirLINE									2						
AVIANCA AEROVIAS DEL CONTINENTE AMERICANO						1									
COPA COMPANIA PANAMENA DE AVIACION									5						
DELTA AIRLINES															1
GOL															
Iberia				2			1					1			
KOREAN AIR												1			
LAN		10	20	50	9		5				44			16	
PAL									5						
QANTAS AIRWAYS	1						1			1					
SKY AIRLINE			1	5					13						
TACA				1											
TAM	1			3								2	1		

Commercial Freight Airlines

The Comodoro Arturo Merino Benitez International Airport is the main point of entry for air cargo into Santiago, and serves as access to much of the country. Because the county has such as vast

coastline, air transport is not the primary form of cargo transportation. For this reason air cargo traffic fluctuates more than that of its counterparts in the commercial passenger air traffic.

The following chart is a summary of potential Commercial Freight Airline customers and their fleet's currently utilizing Comodoro Arturo Merino Benitez International Airport.

	Airbus A310	Boeing 747	Boeing 767	Boeing 767	DC-10	MD-11
LAN CARGO			3	4		
POLAR AIR CARGO		7				
FEDERAL EXPRESS	1			1		
CIELOS DEL PERU					4	4
CARGOLUX		1				

Governmental Customers

The Chilean government and military operates a unique fleet of aircraft, portions of which Aliserra Air & Landing would have the capabilities of repairing. The government owned aircraft are based at Comodoro Arturo Merino Benitez International Airport as well as portions of the Chilean Air Force.

In 2013, the Chilean government opted not replace their aging patrol aircraft, formerly U.S. Navy Lockheed P-3 Orions, instead they will upgrade the aircraft with the hopes that the aircraft will be flightworthy until 2030. Rebuilt aircraft manufactured in the 1960's will require more maintenance thereby offering more potential work for Aliserra Air & Landing to bid on in the future. Many of the aircraft owned by the Chilean government and military are in fact retired aircraft from the U.S. military and other governmental bodies from around the world.

The following chart is a summary of potential customers and their fleet's currently utilizing Comodoro Arturo Merino Benitez International Airport has been provided in Table 3.

	BEECHCRAFT KING AIR B200	BOEING 737	Boeing 767	BOMBARDIER LEARJET 35	Cessna 550	Cessna 650	Gulfstream	P-3 Orion	KC-135E
Government / Military	1	1	1	1	1	2	1	3	3

HUNTER	MIRAGE 50	MIRAGE V	F-16	F-5E	C-212 AVIOCAR	DHC-6	CN-235	C-130
?	?	?	?	?	?	?	?	?

→ Not all quantities and types of aircraft are available for Government / Military aircraft.

Competition

Aliserra Air & Landing will seek FAA 145 Repair Station certifications for Class 1 Accessory and Limited Landing Gear. Based on these standards, Aliserra Air & Landing will have two key competitors in Chile: LAN Airlines S A, and Mantenimiento Aeronautico LTDA. These repair stations are located at Comodoro Arturo Merino Benitez International Airport and will be the highest source of competition for the repair stations. A third repair station may also create some competition, but it is not located at the airport therefore not in direct competition. These three repair stations are the only ones in the country to be FAA 145 approved repair stations, and therefore are the only competitors in the commercial aviation repair sector.

LAN Airlines S A

LAN Airlines carries, FAA 145, and IOSA approval (IATA Operational Standards Approval) for repairs. The main hub of LAN's repair station for all of its aircraft is located in Chile; however, they are not approved for landing gear repair creating an opportunity for Aliserra Air & Landing to offer these services to the airline. Currently, the LAN repair station has 500 employees of which only 11 are certified mechanics.

LAN Cargo currently has an exchange contract with Boeing Commercial Aviation for the replacement of landing gear components. This agreement, however, increases turnaround time, leaving aircraft out of commission for longer periods of time. Aliserra Air & Landing's capabilities will offer a better option for the airline. Below is a description of LAN's approved repair capabilities from the FAA.

LAN AIRLINES S A		Designator: LANY						
CESAR LAVIN TORO 2198, BASE MANTENI								
AEROPUERTO INTERNACIONAL A.M.B.								
SANTIAGO, 00000								
CI								
562-677-4325								
	Class 1	Class 2	Class 3	Class 4	Limited	Limited Ratings		
Accessory	Y	Y	Y		Y	Emergency Equipment		Y
Airframe	N	N	N	Y	Y	Aircraft Fabric		N
Instrument	Y	Y	Y	Y	Y	Non-Destructive Testing		Y
Power plant	N	N	Y	N/A	Y	Floats		N
Propeller	N	N	N/A	N/A	N	Specialized Service		N
Radio	Y	Y	Y	N/A	Y	Rotor Blades		N
						Landing Gear		N
						Other		

Mantenimiento Aeronautico LTDA

Mantenimiento Aeronautico, LTDA is a FAA 145 Repair Station, but currently only holds limited approvals which do not include landing gear repairs. The repair station is located at the Santiago International Airport, therefore will be competition with respect to some lesser repairs and maintenance services Aliserra Air & Landing plans to offer. It is also noteworthy that the Mantenimiento Aeronautico, LTDA has no certified mechanics registered with the FAA. Below is a description of Mantenimiento Aeronautico, LTDA's approved repair capabilities from the FAA.

MANTENIMIENTO AERONAUTICO LTDA		Designator: L0NY					
AEROPUERTO INTERNACIONAL ARTURO MERINO BENITEZ SANTIAGO, CI (562) 290-5026							
	Class 1	Class 2	Class 3	Class 4	Limited	Limited Ratings	
Accessory	N	N	N		Y	Emergency Equipment	N
Airframe	N	N	N	N	Y	Aircraft Fabric	N
Instrument	N	N	N	N	Y	Non-Destructive Testing	Y
Power plant	N	N	N	N/A	Y	Floats	N
Propeller	N	N	N/A	N/A	N	Specialized Service	N
Radio	N	N	N	N/A	Y	Rotor Blades	N
						Landing Gear	N
						Other	

Aeroservicio S A

Aeroervicio S A, is a FAA 145 Repair Station located approximately 22 miles from the Comodoro Arturo Merino Benitez International Airport. The repair station has only limited certifications from the FAA, which does not include landing gear. It is not anticipated that Aeroservicio S A will be a source of much competition for Aliserra Air & Landing. Below is a description of Aeroservicio S A's approved repair capabilities from the FAA.

AEROSERVICIO S A		Designator: 028Y					
AVENIDA LARRAIN 7941 HANGAR NO. 5, LA REINA SANTIAGO, 6881023 CI (562) 273-4427							
	Class 1	Class 2	Class 3	Class 4	Limited	Limited Ratings	
Accessory	N	N	N		N	Emergency Equipment	N
Airframe	N	N	N	N	Y	Aircraft Fabric	N
Instrument	N	N	N	N	Y	Non-Destructive Testing	N
Power plant	N	N	N	N/A	N	Floats	N
Propeller	N	N	N/A	N/A	N	Specialized Service	N
Radio	N	N	N	N/A	Y	Rotor Blades	N
						Landing Gear	N
						Other	

Market Trends

Industry Trends

The aviation industry has expanded significantly in recent years. As a result, the Aviation, Maintenance, Repair and Overhaul industry has also expanded. There are many more repair stations in the region and they are more advanced.

In a 2012 report issued by ICF International SH&E, Jonathan Berger reviewed the future expansion of the global M.R.O. industry. According to the report, the M.R.O. industry in North America was expected to grow about 6% over the next 10 years. However, the same industry in Latin America is expected to grow as much as 68% in the same amount of time.³ Most of the expansion was expected to be in emerging markets. This indicates that now is the time to move into this industry.

Target Market Trends

As a prominent emerging market, Chile has experienced a surge in tourism over the past decade. Commercial passenger aviation has been a benefactor of this growth, and is the largest potential customer base. Between January and November of 2013 more than 15 million passengers came through Comodoro Arturo Merino Benitez International Airport. Of this more than 6.3 million accounts for passengers traveling to or from an international location, and 8.7 million passengers commuting domestically. Domestically, the number of passengers increased .9% from the same time period in 2012; however, the number of international passengers increased by 1.5%.⁴ As demonstrated in Table 1, the amount of passengers traveling through Comodoro Arturo Merino Benitez International Airport has been steadily increasing, with a peak season in the summers, during a period which has seen a decline in air traffic in other dominate markets such as the United States. Currently the Comodoro Arturo Merino Benitez International Airport is the sixth busiest airports in South America by measure of passenger traffic and seventh by aircraft movement. It is also one of only two points in South America from which a flight can be taken to Oceania.

³ Berger, Jonathan M. *Latin American MRO Market Overview* . Forcast & Trends. Sao Paulo: ICF SH&E, 2012. Document.

⁴ Junta de Aeronautica Civil =, Resumen Estaditstico Transporte Aereo Comercial en Chile. 26 of December, 2013

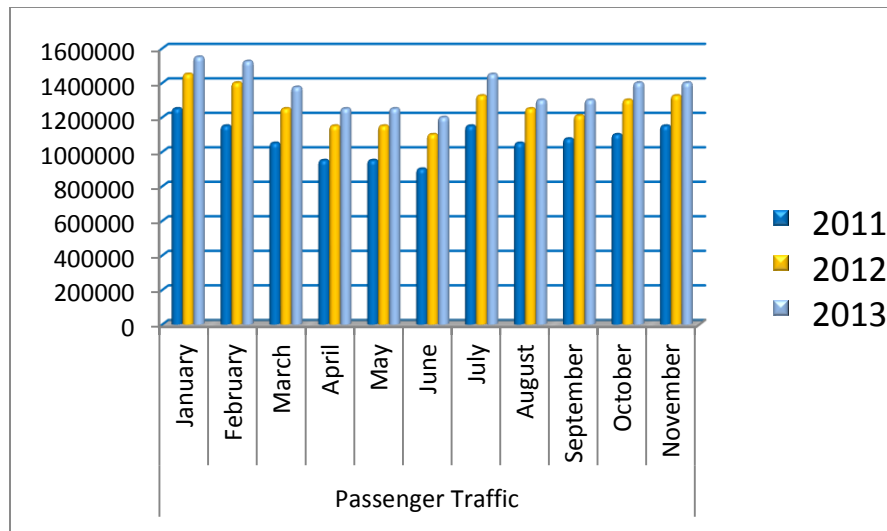


Table 1

Although commercial freight has seen fluctuations in the volume of cargo that comes through the Comodoro Arturo Merino Benitez International Airport is still remains the primary hub for air freight into and out of Chile. Table 2 takes a look at the tons of cargo that has moved through the airport in the years of 2011 – 2013.

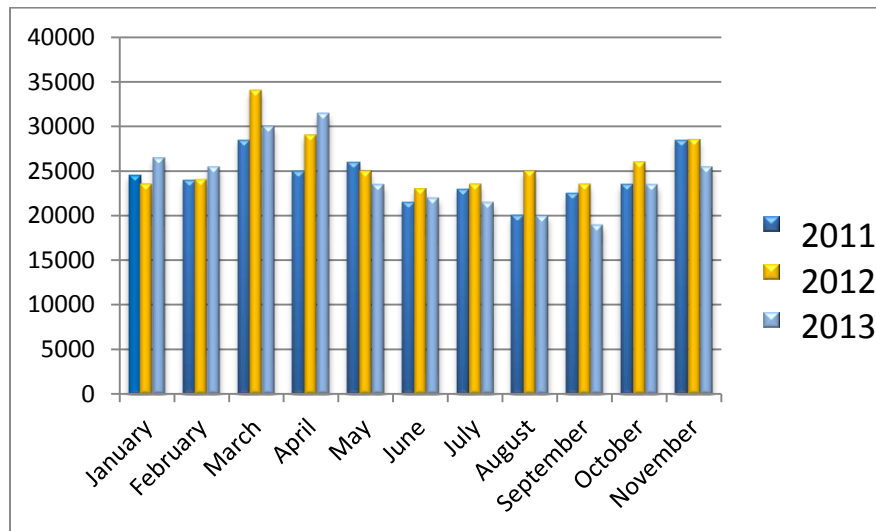


Table 2

In conjunction with the International Aviation Transport Association (IATA), Chile has implemented Secure Freight, which is described by IATA as “an air cargo security program that aims to promote global air cargo supply chain security standards around the world in order to

facilitate safe, secure and efficient operations of air cargo.”⁵ Chile is just the fourth country to implement these new standards, proving that the country is poised to be a leading economy, not only in emerging markets, but globally.

Marketing Strategy

General Description

The marketing strategy of Aliserra Air & Landing will be established on the following essential factors:

- The specific target markets which will be pursued
- The distribution channel available to be used to reach each target market: print, sales associates, trade shows, promotional activities, and direct marketing
- The market share anticipated to be secured within a specific amount of time

Marketing Commitment

Aliserra Air & Landing will be fully committed to an aggressive advertising campaign that will be implemented on a two tier plan: Pre-operational Campaign and Operational Campaign. The company will require a comprehensive marketing campaign in order to successfully accomplish three main objectives:

- To successfully launch the repair station with a standing market awareness brand
- To attract high quality personnel eager to advance with the repair station and achieve success
- To attract a strong customer base who return to Aliserra Air & Landing on a regular basis

Method of Sales & Distribution

Aliserra Air & Landing will pursue business relationships that will advance the repair station's goal of becoming a vital part of the aviation industry in Chile as well as the surrounding region. This will be accomplished through the use of both internal and external sales strategies. The sales and marketing team of Aliserra Air & Landing will aggressively seek new customers, and new services to offer existing customers in order to accomplish our sales and growth goals.

Pricing

The pricing of our maintenance, repair, and overhaul services will be based on the competitive market rates at the time of quotation. This pricing method is typical of the industry for major

⁵ <http://www.iata.org/publications/tracker/dec-2012/Pages/Secure-Freight-Pilot-Chile.aspx>. Retrieved 12 January 2014

repairs. Maintenance and routine repairs will have set price based on time and materials required to complete the work. With our onsite equipment and testing capabilities, Aliserra Air & Landing will not only be able to offer competitive pricing on services, but also turnaround times that will be considerably lower than those of our competition.

Advertising Strategies

Print Advertising. It will focus on the creation, development, and endurance of brand recognition. All print advertising will list the services provided by Aliserra Air & Landing. Each advertisement will highlight the Aliserra Air & Landing logo, as well as, our slogan: ***Flying is the second greatest thrill known to man...Landing is the FIRST! Land confidently with Aliserra Air & Landing.*** The advertisements will entice interested parties to visit our website for more information. Print advertisements will be used in trade journals, magazines, and direct mailings. The design of the print advertising will be contracted out to a professional graphic designer in order to create a cohesive print layout that conveys the overall message with an appealing design that is synergetic with the Aliserra Air & Landing logo.

Web Advertising / News Media

The design and publication of the Aliserra Air & Landing website, as well as, all web advertising will be contracted out to a professional web designer. Forms of web advertising that will be used are newsletters, search engines, portals, and press releases as appropriate. The website will allow customers to receive more information about the services offered, request more information, request quotes, and check status updates on existing projects. Potential employees will be able to view and apply for job openings.

Networking

In order to facilitate networking within the industry, Aliserra Air & Landing will join the following aviation associations:

- ARSA – Aeronautical Repair Station Association
- IATA – International Air Transport Association
- NBAA – National Business Aviation Association (Region III: South America)
- CAPA – Center for Aviation (Lower South American Region)

Customer Service

The unique nature of the aviation industry, with a highly specific and limited customer base, customer service will be a primary function that will be carried out by all departments and employees of Aliserra Air & Landing. This attention to customer relationships will be built by a corporate culture of customer priority that will be integrated into every function and job duty of the repair station.

Assessment of Marketing Effectiveness

Marketing effectiveness will be tested and the results reviewed on a monthly basis through the evaluation of sales reports, customer quotes, website traffic, and market testing. Once evaluations have been made, top management and marketing personnel will make decisions for future marketing and sales strategies.

Financial Documents

Summary of Financial Needs

Aliserra Air & Landing is seeking a Term Business Loan for the business from banks in the United States in the amount of \$5,000,000:

- A. To purchase repair equipment and machinery
- B. To purchase computer hardware and software
- C. To provide carrying capital during the first year

If Aliserra Air & Landing is not able to secure a loan from a U.S. bank, we will seek the loan from a Chilean bank, and private funding option. The company currently has \$3,000,000 in cash invested by the founding officers. The total estimated cost for the start-up of the repair station is \$8,000,000.

Use of Funds

Allocation Of Funds Based on Initial \$8,000,000 Investment

Start-up Costs - 1st Quarter of Operations	Projected Expense	% of Gross Proceeds
Business License	6,000.00	0.075%
Corporation Filing	1,000.00	0.013%
Legal Fees	7,000.00	0.088%
Equipment & Machinery	900,000.00	11.250%
Renovation	1,500,000.00	18.750%
Expatriate Relocation	500,000.00	6.26%
Inventory	700,000.00	8.750%
Furniture & Fixtures	200,000.00	2.500%

Marketing & Advertising	100,000.00	1.250%
Network Equipment	200,000.00	2.500%
Rent & Utilities	120,000.00	1.500%
Salary & Wages	100,000.00	1.250%
Working Capital	221,250.00	2.766%
Total	4,555,250.00	56.941%

2nd Quarter of Operations

	Projected Expense	% of Gross Proceeds
Legal Fees	7,000.00	0.088%
Equipment & Machinery	100,000.00	1.250%
Renovation	50,000.00	0.625%
Inventory	100,000.00	1.250%
Furniture & Fixtures	-	0.000%
Marketing & Advertising	100,000.00	1.250%
Network Equipment	200,000.00	2.500%
Rent & Utilities	120,000.00	1.500%
Salary & Wages	150,000.00	1.875%
Working Capital	321,250.00	4.016%
Total	1,148,250.00	14.353%

3rd Quarter of Operations

	Projected Expense	% of Gross Proceeds
Legal Fees	2,000.00	0.025%
Equipment & Machinery	100,000.00	1.250%
Renovation	50,000.00	0.625%
Inventory	100,000.00	1.250%
Furniture & Fixtures	-	0.000%
Marketing & Advertising	100,000.00	1.250%
Network Equipment	200,000.00	2.500%
Rent & Utilities	120,000.00	1.500%
Salary & Wages	150,000.00	1.875%
Working Capital	326,250.00	4.078%
Total	1,148,250.00	14.353%

4th Quarter of Operations

	Projected Expense	% of Gross Proceeds
Legal Fees	2,000.00	0.025%
Equipment & Machinery	100,000.00	1.250%
Renovation	50,000.00	0.625%
Inventory	100,000.00	1.250%
Furniture & Fixtures	-	0.000%
Marketing & Advertising	100,000.00	1.250%
Network Equipment	200,000.00	2.500%
Rent & Utilities	120,000.00	1.500%
Salary & Wages	150,000.00	1.875%
Working Capital	326,250.00	4.078%
Total	1,148,250.00	14.353%
Total Gross Proceeds	8,000,000.00	100.000%

Assumptions for Financial Projections

Initial Funding

Aliserra Air & Landing secured \$1,000,000 from the each of the founding members for a total of \$3,000,000. The company will also be seeking a loan in the amount of \$5,000,000 for the start-up and first year of operations.

Pre-operational expenses & use of funds

	ESTIMATED COST	Qty	Extended Cost
Machinery / Equipment			
Horizontal Boring Mill	39,500.00	1	39,500.00
Jig Boring Mill	25,000.00	1	25,000.00
Engine Lathe	49,566.29	1	49,566.29
Radial Drill Press	2,000.00	1	2,000.00
Vertical Milling Machine	49,500.00	1	49,500.00
O /D Grinder	45,000.00	1	45,000.00
I / D Grinder	28,000.00	2	56,000.00
Bridgeport Series II Vertical Mill	18,500.00	1	18,500.00
Sunnen CV-616 Automatic Hone	23,500.00	1	23,500.00
Kwik-Way #092 Power Stroked Hone	20,000.00	2	40,000.00
Non-Destructive Testing Equipment	50,000.00	1	50,000.00
MISC TOOLING	300,000.00	1	300,000.00
Machine & Equipment Installation and Training	200,000.00	1	201,433.71
Total			900,000.00
Renovation (office / repair warehouse)			1,500,000.00
Expatriate Relocation			500,000.00
Principle Office Development (Tech Hardware/Software, Communication, Support, Office Furniture, Supplies)			200,000.00
Initial Advertising Campaign (Website Development, Print Advertisement, Trade Show)			100,000.00
Working Capital			221,250.00
Total Pre-Operational Expenses / Use of Funds			3,421,250.00

Four-Year Cash Flow Projections

Loan Capital – The founding members of Aliserra Air & Landing will contribute \$1 million dollars toward the start-up of the repair station. The estimated cost for the start-up and one year of operations is \$8 million dollars; therefore, we seek a \$5 million dollar loan investment.

Cash disbursement

The exact disbursement of the cash will be determined by the Chief Financial Officer in coordination with the Chief Operating Officer, and the Chief Administrator based on the established projections and plan set forth here.

Four-Year Income Projections

The annual growth rate – is a best estimate justified by the market position in which Aliserra Air & Landing will be entering, and based on the potential customer base needs. Aliserra Air & Landing has established a long-term plan that will promote brand equity and customer satisfaction.

Expenses – Expenses are anticipated to increase proportionally with the increase in the volume of work completed by the repair station. In addition to the Chief Financial Officer, the Chief Operating Officer, and the Chief Administrative Officer who each receive a salary of \$60,000 per year (This is less than the industry norm because each officer is a primary, financially contributing partner.) the company plans to hire three Directors with an average salary of \$40,000 per year, and five managers with an average salary of \$30,000 per year. These salaries are consistent with the normal expected salaries for these positions in the country. Mechanic and support staff will be hired as workload requires.

Income Tax Rate. The annual corporate income tax rate for Chile is 17%.

Three-Year Income Projection						
Income Sales / Revenues	Year 1: 2015		Year 2: 2016		Year 3: 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Maintenance	1,000,000.00	20.00%	2,000,000.00	21.05%	3,000,000.00	25.00%
Repair	2,000,000.00	40.00%	3,500,000.00	36.84%	4,000,000.00	33.33%
Overhaul	2,000,000.00	40.00%	4,000,000.00	42.11%	5,000,000.00	41.67%
Cost of Goods Sold	-		-		-	
Gross profit on Sales	5,000,000.00	100.00%	9,500,000.00	100.00%	12,000,000.00	100.00%
Expenses / Variable	505,000.00	10.10%	625,000.00	6.58%	740,000.00	6.17%
Marketing & Advertising	400,000.00	8.00%	500,000.00	5.26%	600,000.00	5.00%
Communications Support	25,000.00	0.50%	35,000.00	0.37%	40,000.00	0.33%
Technical Support	55,000.00	1.10%	70,000.00	0.74%	80,000.00	0.67%
Travel / Entertainment	25,000.00	0.50%	20,000.00	0.21%	20,000.00	0.17%
Fixed	1,516,000.00	30.32%	1,950,000.00	20.53%	2,405,000.00	20.04%
Insurance	129,031.20	3.06%	170,000.00	1.79%	185,000.00	1.54%
Salary / Wages	526,031.20	11.00%	700,000.00	7.37%	1,000,000.00	8.33%
Facility Expenses	36,031.20	1.20%	250,000.00	2.63%	250,000.00	2.08%
General Office Expenses	151,031.20	3.50%	280,000.00	2.95%	380,000.00	3.17%
Legal	18,000.00	0.36%	20,000.00	0.21%	25,000.00	0.21%
Maintenance / Repairs	5,000.00	0.10%	65,000.00	0.68%	100,000.00	0.83%

Rent / Utilities	96,031.20	2.40%	150,000.00	1.58%	180,000.00	1.50%
Depreciation	111,031.20	2.70%	135,000.00	1.42%	135,000.00	1.13%
Loan Principle & Interest	443,812.80	6.00%	180,000.00	1.89%	150,000.00	1.25%
Total Operating Expense	2,021,000.00	40.42%	2,575,000.00	27.11%	3,145,000.00	26.21%
Net Income Operations	2,979,000.00	59.58%	6,925,000.00	72.89%	8,855,000.00	73.79%
Other income	-	0.00%	-	0.00%	-	0.00%
Other expenses	-	0.00%	-	0.00%	-	0.00%
Net Profit Before Taxes	2,979,000.00	59.58%	6,925,000.00	72.89%	8,855,000.00	73.79%
Taxes Chilean State	506,430.00	17.00%	1,177,250.00	17.00%	1,505,350.00	17.00%
Net Profit After Taxes	2,472,570.00	49.45%	5,747,750.00	60.50%	7,349,650.00	61.25%

Sales revenues are an estimate based on the number of component parts per aircraft landing gear, the number of aircraft servicing Santiago, the average time between overhauls as set forth by the Federal Aviation Administration and manufacturer guidelines, and the number and proximity of competing MRO's that have landing gear repair certification.

South American Repair Stations with Landing Gear Certification	
BRAZIL	4
COLOMBIA	1
PERU	1
ARGENTINA	1
Avg. No. of Component Parts Per Landing Gear	150
Gears Per Aircraft	3
Avg. No. of Aircraft Servicing Santiago Airport	300
Estimated Market Demand (Routine Overhaul) per 1000 flight hours	135000



	PRO FORMA CASH FLOW STATEMENT						
	JAN	FEB	MAR	APR	MAY	JUN	6 MONTH TOTALS
BEGINNING CASH BALANCE	4,578,750.00	3,809,466.75	3,245,566.99	2,814,826.98	2,494,609.53	,258,664.06	
CASH RECEIPTS / SALES MAINTENANCE							
	30,000.00	50,000.00	60,000.00	70,000.00	78,000.00	82,000.00	370,000.00
REPAIR	60,000.00	100,000.00	120,000.00	140,000.00	156,000.00	164,000.00	740,000.00
OVERHAUL	60,000.00	100,000.00	120,000.00	140,000.00	156,000.00	164,000.00	740,000.00
TOTAL CASH AVAILABLE	4,728,750.00	4,059,466.75	3,545,566.99	3,164,826.98	2,884,609.53	2,668,664.06	21,051,884.31
COST OF GOODS SOLD	-	-	-	-	-	-	-
GROSS PROFITS FROM SALES	4,728,750.00	4,059,466.75	3,545,566.99	3,164,826.98	2,884,609.53	2,668,664.06	21,051,884.31
VARIABLE EXPENSES							
MARKETING & ADVERTISING	12,000.00	20,000.00	24,000.00	28,000.00	31,200.00	32,800.00	148,000.00
COMMUNICATIONS SUPPORT	750.00	1,250.00	1,500.00	1,750.00	1,950.00	2,050.00	9,250.00
TECHNICAL SUPPORT	1,650.00	2,750.00	3,300.00	3,850.00	4,290.00	4,510.00	20,350.00
TRAVEL / ENTERTAINMENT	750.00	1,250.00	1,500.00	1,750.00	1,950.00	2,050.00	9,250.00

TOTAL VARIABLE EXPENSES	15,150.00	25,250.00	30,300.00	35,350.00	39,390.00	41,410.00	186,850.00
FIXED EXPENSES							
INSURANCE	10,752.00	10,752.00	10,752.00	10,752.00	10,752.00	10,752.00	64,512.00
SALARY / WAGES	43,835.93	43,835.93	43,835.93	43,835.93	43,835.93	43,835.93	263,015.58
FACILITY EXPENSES	3,002.60	3,002.60	3,002.60	3,002.60	3,002.60	3,002.60	18,015.60
GERNAL OFFICE EXPENSE	12,585.93	12,585.93	12,585.93	12,585.93	12,585.93	12,585.93	75,515.58
LEGAL	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	9,000.00
MAINTENANCE / REPAIR	416.67	416.67	416.67	416.67	416.67	416.67	2,500.02
RENT / UTILITIES	111,333.67	1,333.67	1,333.67	1,333.67	1,333.67	1,333.67	8,002.00
DEPRECIATION	9,252.60	9,252.60	9,252.60	9,252.60	9,252.60	9,252.60	55,515.60

TOTAL FIXED EXPENSES	PRO FORMA CASH FLOW STATEMENT						
	JAN	FEB	MAR	APR	MAY	JUN	6 MONTH TOTALS
	82,679.40	82,679.40	82,679.40	82,679.40	82,679.40	82,679.40	496,076.38
INTEREST EXPENSE	16,394.41	16,325.77	16,256.91	16,187.82	16,118.50	16,048.94	97,332.35

CORPORATE INVOICE TAX	784469.45	668985.97	580776.22	515203.66	466891.68	429849.37	3,446,176.35
NOTES PAYABLE	20589.99	20658.62	20727.49	20796.58	20865.90	20935.45	124,574.03
TOTAL CASH PAID OUT	919,283.25	813,899.76	730,740.01	670,217.45	625,945.47	590,923.16	4,351,009.11
CASH BALANCE (DEFICIENT)	3,809,466.75	3,245,566.99	2,814,826.98	2,494,609.53	2,258,664.06	2,077,740.89	16,700,875.21
LOANS TO BE RECEIVED	-	-	-	-	-	-	-
EQUITY DEPOSITS	-	-	-	-	-	-	-
ENDING CASH BALANCE	3,809,466.75	3,245,566.99	2,814,826.98	2,494,609.53	2,258,664.06	2,077,740.89	16,700,875.21
BEGINNING CASH BALANCE	3,000,000.00						
LOAN INVESTMENT	5,000,000.00						
TOTAL CASH AVAILABLE	8,000,000.00						
LESS PRE-OPERATIONAL EXPENSES	3,421,250.00						
GROSS CASH BALANCE	4,578,750.00						

	PRO FORMA CASH FLOW STATEMENT						
	JUL	AUG	SEP	OCT	NOV	DEC	6 MONTH TOTALS
BEGINNING CASH BALANCE	2,077,740.89	1,957,409.60	1,876,176.98	1,834,857.91	1,822,936.20	1,839,145.11	
CASH RECEIPTS / SALES							
MAINTENANCE	90,000.00	95,000.00	102,000.00	108,000.00	115,000.00	120,000.00	630,000.00
REPAIR	180,000.00	190,000.00	204,000.00	216,000.00	230,000.00	240,000.00	1,260,000.00
OVERHAUL	180,000.00	190,000.00	204,000.00	216,000.00	230,000.00	240,000.00	1,260,000.00
TOTAL CASH AVAILABLE	2,527,740.89	2,432,409.60	2,386,176.98	2,374,857.91	2,397,936.20	2,439,145.11	14,558,266.69
COST OF GOODS SOLD	-	-	-	-	-	-	-
GROSS PROFITS FROM SALES	2,527,740.89	2,432,409.60	2,386,176.98	2,374,857.91	2,397,936.20	2,439,145.11	14,558,266.69
VARIABLE EXPENSES							
MARKETING & ADVERTISING	36,000.00	38,000.00	40,800.00	43,200.00	46,000.00	48,000.00	252,000.00
COMMUNICATIONS SUPPORT	2,250.00	2,375.00	2,550.00	2,700.00	2,875.00	3,000.00	15,750.00
TECHNICAL SUPPORT	4,950.00	5,225.00	5,610.00	5,940.00	6,325.00	6,600.00	34,650.00
TRAVEL / ENTERTAINMENT	2,250.00	2,375.00	2,550.00	2,700.00	2,875.00	3,000.00	15,750.00

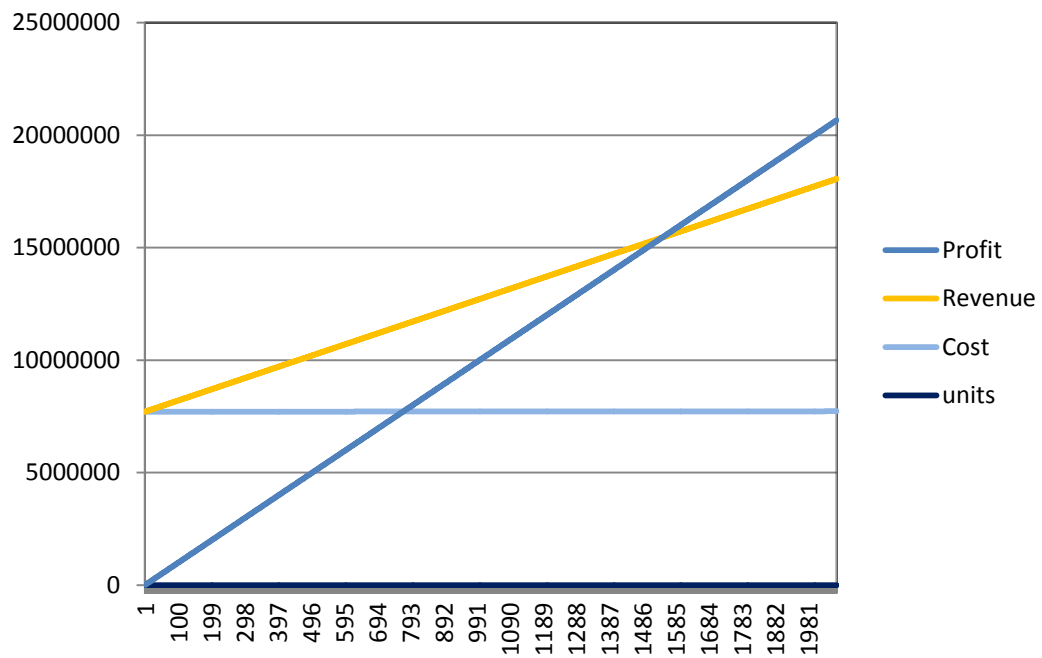
TOTAL VARIABLE EXPENSES	45,450.00	47,975.00	51,510.00	54,540.00	58,075.00	60,600.00	318,150.00
FIXED EXPENSES							
INSURANCE	10,752.00	10,752.00	10,752.00	10,752.00	10,752.00	10,752.00	64,512.00
SALARY / WAGES	43,835.93	43,835.93	43,835.93	43,835.93	43,835.93	43,835.93	263,015.58
FACILITY EXPENSES	3,002.60	3,002.60	3,002.60	3,002.60	3,002.60	3,002.60	18,015.60
GERNAL OFFICE EXPENSE	12,585.93	12,585.93	12,585.93	12,585.93	12,585.93	12,585.93	75,515.58
LEGAL	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	9,000.00
MAINTENANCE / REPAIR	416.67	416.67	416.67	416.67	416.67	416.67	2,500.02
RENT / UTILITIES	1,333.67	1,333.67	1,333.67	1,333.67	1,333.67	1,333.67	8,002.00
PRO FORMA CASH FLOW STATEMENT							
	JUL	AUG	SEP	OCT	NOV	DEC	6 MONTH TOTALS
DEPRECIATION	9,252.60	9,252.60	9,252.60	9,252.60	9,252.60	9,252.60	55,515.60
TOTAL FIXED EXPENSES	82,679.40	82,679.40	82,679.40	82,679.40	82,679.40	82,679.40	496,076.38
INTEREST EXPENSE	15,979.16	15,909.14	15,838.89	15,768.41	15,697.69	15,626.73	94,820.01
CORPORATE INVOICE TAX	405217.50	388593.83	380145.28	377717.92	381052.30	387640.63	2,320,367.45
NOTES PAYABLE	21005.24	21075.25	21145.51	21215.99	21286.71	21357.67	127,086.36
TOTAL CASH PAID OUT	570,331.29	556,232.62	551,319.07	551,921.71	558,791.09	567,904.42	3,356,500.21
CASH BALANCE (DEFICIENT)	1,957,409.60	1,876,176.98	1,834,857.91	1,822,936.20	1,839,145.11	1,871,240.69	11,201,766.48
LOANS TO BE RECEIVED	-	-	-	-	-	-	-

EQUITY DEPOSITS

**ENDING CASH
BALANCE**

-	-	-	-	-	-	-
1,957,409.60	1,876,176.98	1,834,857.91	1,822,936.20	1,839,145.11	1,871,240.69	11,201,766.48

Break Even Point



Glossary

FAA – Federal Aviation Administration

MRO – Aviation Maintenance, Repair, and Overhaul station

EASA – European Aviation Safety Agency

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