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On the Cover . . .

Attorney Jim Barlow of Waco shares his photo of a sunflower that was taken on a ranch near Centerville.

Problems Associated With the Leasing Of Business Aircraft

BY DANIEL M. DOWNEY

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Regardless of their various pursuits and endeavors, few businessmen would disagree with the adage that time is money. In an unrelenting battle to stay competitive in the race with time, businessmen are turning more and more to the convenience of private aircraft ownership.

Traditionally, these new aircraft owners have little knowledge of the economics of their new asset and even less familiarity with the federal regulations that govern their operation. It is not uncommon, therefore, for novice aircraft owners to be confused about what they can and cannot do to realize maximum utility and return on investment from their aircraft.

The most common misconception held by the new owner concerns leasing the aircraft as a method of defraying costs

while the aircraft is not in use. Unlike other transportation equipment, the leasing of aircraft can be a complicated and dangerous procedure if applicable federal regulations are not strictly observed.

The purpose of this article will be to familiarize the reader with some of the dangers associated with the leasing of business aircraft and to suggest ways the aircraft owner can accomplish his objective and still stay within the legal parameters set by the Federal government.

The article will not deal with the requirements applicable to charter flights or commercial operations under the Federal Aviation Regulations (FAR). In fact, those are precisely the characterizations sought to be avoided. Nor will it deal with long term or leveraged leasing so common to the commercial airline indus-

