

## SavvyPrebuy New Client Guide

Welcome to Savvy! We're delighted that you have hired us to manage the prebuy examination of the aircraft you're interested in purchasing. The purpose of this Guide is to let you know what to expect from us, and how you can work with us to ensure that you get the greatest possible benefit from Savvy's professional maintenance management. Please review it carefully, and then let us know if you have any questions or concerns.

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### What you need to know about your upcoming prebuy

It's important for you to understand what a Savvy-managed prebuy examination is (and is not), and what Savvy's role is (and isn't) during this process.

#### Conditional Purchase/Sale Agreement

Before we commence the Savvy-managed prebuy examination, you will have made an offer on the aircraft that was accepted by the seller and entered into a written **Conditional Purchase/Sale Agreement** with the seller in which you agree to purchase the aircraft at the agreed-to price. You need to make sure that this agreement you make with the seller:

- Allows adequate time for you to schedule and conduct the prebuy examination, review the prebuy findings, and make your decision whether or not to purchase the aircraft. It should give you an absolute minimum of 15 day to accomplish this, preferably 30 days.
- Allows you to have the prebuy examination conducted by any shop or mechanic you choose within a reasonable distance of the aircraft's location. A good definition of "reasonable distance" would be "no more than one hour of flying time."
- Defines what your options are once the prebuy examination has been performed and you have reviewed the discrepancy list and repair estimates from the prebuy shop. Those options should include:
  - purchase the aircraft at the agreed-to price;
  - purchase the aircraft at a negotiated price reduction sufficient to cover the cost of remediating any serious discrepancies uncovered by the prebuy examination; or
  - reject the aircraft and walk away.
- Defines the circumstances under which your initial deposit is refunded or forfeited if you reject the aircraft and walk away. You should require that your initial deposit is refunded if you walk away "for good cause" because the prebuy examination uncovered one or more discrepancies serious enough to make the airplane unacceptable to you.

Every agreement is different, so it's important for you to read the agreement carefully before you sign it.

### **Purpose of the prebuy examination**

The purpose of the Savvy-managed prebuy examination is twofold:

- to help you decide whether you want to buy the aircraft or walk away; and
- to guide you in your final price negotiations with the seller if you decide that you want to buy the aircraft.

It is essential that you understand that **the prebuy examination is NOT an airworthiness inspection!** Its purpose is to assess whether the aircraft is what you expected it to be, and to identify any costly discrepancies that might cause you to decide to walk away or that might impact how much you are willing to pay for the aircraft. The prebuy examination focuses on the “financial condition” of the aircraft, not the airworthiness of the aircraft.

**Prebuy examinations have much more limited scope and detail than an annual inspection,** and aren't intended to identify all the aircraft's discrepancies, just the costly ones. **Sometimes a costly discrepancy is missed.** While Savvy does its best to recommend a competent shop for the prebuy, Savvy has no control over the thoroughness of the prebuy examination and is not responsible for the prebuy shop's performance of the examination.

**If you want a comprehensive assessment of the airworthiness of the aircraft, you will need to have an annual inspection performed.** An annual inspection focuses on determining whether or not the aircraft is airworthy, which makes it very different from a prebuy examination. **If you decide to purchase the aircraft at the completion of the prebuy examination, it may make sense to convert the prebuy examination into an annual inspection once you've closed the deal with the seller and taken title to the aircraft.** Savvy often recommends this to our SavvyPrebuy clients, especially if the annual inspection will come due not long after the purchase. You may want to consider doing this under other circumstances rather than relying on the previous annual inspection that was done by the seller's mechanic or shop.

### **Savvy's role in the prebuy process**

Savvy's role in this process is threefold:

- we help you find a suitable shop or mechanic to perform the prebuy examination and get it set up on the shop's schedule;
- we help you define the scope and detail of the examination that you want the selected prebuy shop to do; and
- we help you interpret the prebuy examination's findings (usually in the form of a discrepancy list with repair cost estimates) and decide what to do (buy, walk away, or attempt to negotiate a price concession from the seller).

**Savvy will never physically examine, inspect or even see the aircraft during the course of the prebuy examination.** Consequently, Savvy will and must rely entirely on the prebuy examination conducted by the shop you select and the written list of discrepancies prepared by that shop. The advice you receive from Savvy will only be as good as the written results of the examination provided to Savvy by the shop. If the shop's examination is not thorough or if the shop's

discrepancy list is not complete, the quality of the advice you receive from Savvy will necessarily suffer. The shop's prebuy examination is not an "inspection" of the airplane intended to determine whether or not the aircraft is airworthy, and will not result in an "inspection" entry in the aircraft's maintenance records.

**Savvy's role under the SavvyPrebuy service ends once you've purchased the aircraft or decided to walk away.** If you do purchase the aircraft and subsequently enroll it in any SavvyAviation service, such as SavvyMx, SavvyQA, etc., you will get a 50% discount for that service for your first year. If you enroll it in SavvyMx and then elect to convert the prebuy examination into an annual inspection, Savvy will manage the annual inspection on your behalf.

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## Your first day with Savvy

Here's what to expect on the first day after we receive your signed Savvy Service Agreement.

### Savvy's client-only ticket system

You will be given access to Savvy client-only ticket system at <https://apps.savvyaviation.com>. This site is Savvy's "nerve center" and will be the focus of your aircraft maintenance activities going forward. This website may be accessed with all popular web browsers—Microsoft Edge, Microsoft Internet Explorer, Mozilla Firefox, Apple Safari, Google Chrome, Opera—and with mobile devices including iPhone, iPad and Android.

### Your login credentials

You will have established your login credentials for the ticket system—an email address and password—at the time you signed up for SavvyPrebuy online. If you forget your password, you can reset it by clicking the "Forgot Password" link on the login screen. If you need assistance to login, contact the Savvy operations department by phone at 888-465-8038 or by email at [operations@savvyaviation.com](mailto:operations@savvyaviation.com) and we'll be happy to help.

### Your aircraft record

Similarly, if you click on "Aircraft" → "My Aircraft" you'll see a list of aircraft you've placed under management with Savvy—just one aircraft for most SavvyPrebuy clients. Click on your aircraft to open your aircraft record. Please review the information for correctness; please let us know if you find any errors by emailing [operations@savvyaviation.com](mailto:operations@savvyaviation.com).

### Your new-client ticket

Shortly after you enroll online for SavvyPrebuy—usually within an hour or two—our Operations staff will create a "new-client ticket" in the Savvy ticket system to introduce you to your Savvy account manager (and vice-versa), and to track the status of various milestones involved in setting up the prebuy examination of your aircraft. The ticket system will be the principal means of communications between you, your Savvy account manager, and the shops and mechanics doing the examination of your aircraft. Therefore, it's important for you to get familiar and comfortable using the ticket system.

Whenever a new ticket is opened (like the "new-client ticket" mentioned above), you will receive an email notification. There are two ways for you to reply to the ticket: You can simply reply to the

email, or you can click on the link near the bottom of the email to open the ticket in your web browser. (You may have to login with your email address and password if you haven't logged in recently.)

Using either of these two methods, please make a short post to the ticket so that we know you can communicate with us via the ticket system. If you're replying via the web interface, please don't forget to click on the "Update Ticket" button to post your reply.

### **Your Savvy account manager**

When you first sign up for SavvyPrebuy, you are assigned an "account manager" who is your primary point of contact with Savvy and has primary responsibility for managing your prebuy examination. Your account manager is a seasoned A&P/IA with extensive expertise in your aircraft make and model.

In addition, we assign you a backup account manager to support you should your primary account manager be unavailable for some reason.

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## **What you can expect Savvy to do**

Savvy guides you through every stage of the prebuy process, including:

- Helping you to select the shop or mechanic to perform the prebuy examination, hopefully a qualified and impartial maintenance facility with the requisite expertise in make and model, located reasonably close to where the aircraft is situated.
- Scheduling the prebuy examination with the shop. Please remember that while the actual pre-buy examination usually takes only one or two days, it may be weeks before a shop can fit the examination into its shop schedule.
- Providing the prebuy shop with specific guidance in the form of a checklist tailored to the make and model that defines the scope and detail of the examination to be performed.
- Helping you to arrange a test flight to verify that all aircraft and avionics systems are functioning properly. Sometimes it's possible to combine the ferry flight from the aircraft's home base to the selected prebuy shop with the test flight.
- Helping you to review and interpret the prebuy and test-flight findings, advising you of the significance of discrepancies found and which ones we recommend you ask the seller to pay to have corrected either by reducing the selling price or by paying for the necessary repairs directly. (Generally speaking, the seller should bear the cost of correcting any airworthiness issues.)

Please remember that the fee you paid Savvy covers Savvy's management of your prebuy examination. You will also need to pay the invoice from the prebuy shop to cover their labor charges. For most piston singles, you can expect the labor to be 8 to 10 hours; naturally, it will be more for twins. The hourly labor rate can vary between \$75 and \$150 depending on geographic location. Depending on your arrangement with the seller, you may also need to bear the cost of ferrying the aircraft to and from the prebuy shop.

## Protocols and procedures

Savvy has established a series of protocols and procedures to make the prebuy process as effective and painless as possible. If we are to do the job you hired us to do, it's essential that you follow these procedures.

### Contact Savvy first, early and often

Your Savvy account manager should be your very first point of contact with respect to the prebuy examination of the aircraft you're interested in buying. Regardless of what kind of problem or question you may have, please contact your Savvy account manager first. Don't contact a shop or mechanic directly—that's your account manager's job.

Owners who are used to managing their own maintenance often have difficulty learning to do this. If you communicate directly with the prebuy shop—cutting your Savvy account manager out of the loop—don't be surprised if you receive a minor scolding. You've hired Savvy to manage your prebuy, and you really need to let us do that.

### Use the Savvy ticket system whenever possible

The Savvy ticket system is the principal means of communications among you, your Savvy account manager, and prebuy shop. The ticket system offers huge advantages over traditional communications methods like telephone, email and fax.

The ticket system provides a contemporaneous written record of all communications, including decisions, instructions, status updates, discrepancy lists, cost estimates, invoices, maintenance records, and so forth. It puts all this information in one place, and ensures that everyone with a "need to know" can access it easily. By documenting everything in written form, it greatly reduces the likelihood of misunderstandings, surprises and disputes.

In addition, should your primary account manager be unavailable for any reason, another Savvy account manager can step in, review the ticket to get up to speed quickly, and pick up where your primary account manager left off. Or if we need to call in another member of the Savvy team for special expertise (e.g., avionics, engines), our specialist can review the ticket and jump right in without having to "play 20 questions."

**IMPORTANT:** When you post to a ticket, your post is always visible to your Savvy account manager and other members of the Savvy team. However, you have the option of making the post visible or invisible to the service center and mechanics working on your airplane. By default, your ticket posts are not visible to shops and mechanics; if you want the shop to see your post, make sure you mark it "visible to everybody" before submitting it.

From time to time, verbal communications (face-to-face or telephone) is unavoidable. If your account manager communicates with you or your service center by telephone, he is instructed to document the call on the ticket system as soon as possible thereafter. If you have a maintenance-related conversation with anyone, we ask that you do the same.

Similarly, if email communications takes place, we ask that the email be transferred to the ticket system via cut-and-paste so it becomes part of the record and available to anyone who needs to see it.

In most cases, it's far better to communicate directly on the ticket system than to do it verbally or by email and then transcribe it to the ticket after the fact. The ticket system is quick, efficient, and easy to use—even from mobile devices like iPhone, iPad, or Android—so we ask that you use it whenever possible.

### **Don't bypass your Savvy account manager**

Your account manager should be the sole point of contact with the prebuy shop during the prebuy examination. You should always communicate your wishes, concerns, questions, decisions and directions to your account manager, and let your account manager communicate them to the prebuy shop.

If you bypass your account manager and communicate directly with the prebuy shop, it often injects ambiguity into the relationship. The shop can easily become confused about whose directions to follow. We know from experience that to prevent misunderstandings and surprises, it's essential that shops and mechanics must “serve one master.”

We've found that things work much if the shop's single point of contact is your Savvy account manager. This keeps the communications on a professional, IA-to-IA level, and is much more likely to achieve an optimal result for you.

### **Don't authorize repairs until you own the aircraft**

Remember that it is never appropriate for you to authorize any repairs to the aircraft until the prebuy examination is complete and you have closed the deal with the seller and taken title to the aircraft. So long as the seller still owns the aircraft, only the seller may authorize repairs.

### **When the prebuy has been completed, what's next?**

Once the prebuy examination is complete and a discrepancy list has been received from the prebuy shop, your Savvy account manager will go over the discrepancy list with you, and help you determine which items should be the seller's responsibility to pay for and which should be your responsibility. (The general rule is that the seller is responsible for any airworthiness issues.) At that point, you will complete your final negotiations with the seller—your Savvy account manager will offer behind-the-scenes guidance—to arrive at a final selling price that takes any airworthiness discrepancies into account, and then close the deal and take title to the aircraft.

Once you own the aircraft, you most likely will want to perform certain repairs and/or preventive maintenance before you fly the aircraft home. If the next annual inspection is due soon after the prebuy has been completed, you might want to convert the prebuy examination into an annual inspection and fly the airplane home with a fresh annual. Your Savvy account manager can help you decide whether or not to do this.

### **Continuing with Savvy after the prebuy**

Your SavvyPrebuy service agreement terminates once you've purchased and taken title to the new-to-you aircraft. However, most SavvyPrebuy clients elect to continue working with Savvy by enrolling the aircraft in SavvyMx maintenance management or SavvyQA maintenance consulting. To help make this transition as painless as possible, Savvy will allow you to enroll in SavvyMx at a 50% discount for the first year if you do so within 30 days of the completion of your Savvy-managed

prebuy. If you enroll in SavvyMx and decide to convert the prebuy examination into an annual inspection, Savvy will manage the annual inspection on your behalf.