



The *Seawind* Flyer

WINTER 2004

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GOOD NEWS FOR USA BUYERS

Although the Jobs & Growth Tax Act bonus 50% depreciation expires this year, Congress has extended Small Business Expensing and Depreciation through 2007. In addition, it has been adjusted for inflation. It provides for an annual expensing of a capital purchase of \$102,000.

So, for a purchase of a Seawind, for example:

Purchase	\$300,000
Expense deduction	-102,000
Normal 20% depreciation	<u>-39,600</u>
Total 1 st year depreciation	\$141,600
47.2% of the purchase	

Check with your tax advisor.

We still have a few delivery slots in 2006.

GOOD NEWS FOR SEAWIND

The financial institutions have completed their review and have given their approval to prepare the agreement documents. We expect that this effort will be completed by the end of December. We should then be able to gear up in January.

SEAWIND SURVEY

We wish to thank all the people who responded to the questionnaire, which was enclosed in the Fall Seawind Flyer. The information received was very helpful to us and we appreciate the data. If any of our readers still have the questionnaire, we would like to receive any information you would like to share. You need not be a current pilot. If you are a "wannabe" or a Seawind fan, the data you provide is still very helpful.

A few have more than one home. In this case, if you have an E-mail address we can put you on that list. E-mail is much faster and more efficient for our international and overseas readers. If any of you prefer E-mail, please let us know and forward current E-mail addresses.

Again, we promise that your information and name will be kept strictly confidential. We will not call you unless you request us to do so.

Only one person requested to be taken off our mailing list and we have done so.

We would like to share some of the results with you..

- About 15% of the people responded. (About 10% would be a normal response).
- 12.5% of respondents are student pilots.
- Many have advanced ratings, i.e. 26% commercial, 6% ATP, 1% CFI, 35% instrument.
- 19% have a water rating
- 2% are under 30 years old
- 10% are 30 to 40
- 17% are 40 to 50
- 71% are over 50
- 18% require a two-place aircraft.
- 10% are interested in the five-seat configuration.
- The rest required a 3 or 4 place aircraft.
- 26% will use the Seawind primarily for business and secondary for recreation.
- 74% will use the Seawind primarily for recreation.
- 29% of the above will use the Seawind for long-distance travel.

We were surprised to see how similar the results were to the demography of the kit version of the Seawind.

Most surprising was the number of people with a water rating. One third of the kit customers had a water rating when they purchased the experimental version of the aircraft. Only 19% of the respondents for the certified version have a water rating. Many of them have low time.

These numbers clearly show the appeal of the Seawind to the land pilot customers. Until the Seawind came along, very few people considered purchasing a seaplane because they were slow, utilitarian and harder to fly. The Seawind out performs most of the certified single-engine aluminum land planes. With its superlative structural strength, numerous landing options and very reasonable price, the Seawind is an excellent land plane. It need not be used as a watercraft.

Experience has shown that almost all the purchasers will go on to get their water rating.

Many respondents took time to send comments, suggestions and asked questions. A number enclosed thoughtful and encouraging letters. We had many responses from overseas. One even returned his response by special delivery.

Most requests for information were for insurance, financing and training, in that order. We also had requests for additional avionics information, autopilot, service and preventative maintenance programs and comparisons with other aircraft, also in that order. We will respond to these subjects in this and future Seawind Flyers.

Avionics will probably be the last to be discussed because there are so many new developments and because of Garmin's takeover of Apollo.

INSURANCE

We have initiated a special "captive" program, specifically for Seawind aircraft hull insurance. Liability and property damage is readily available to individuals. We will have an agreement on the liability insurance as well, when the time comes, or you can secure such coverage on your own.

The reason we have initiated a captive company, is that the insurance industry only looks at statistics when establishing rates. For instance:

~ The Seawind is considered the same as any retractable gear high performance aircraft, even though it does not have a prop strike problem, sudden engine stoppage, nor is there any structural damage during a gear-up landing. The center keel is for hydrodynamics and is sacrificial.

~ The Seawind is considered the same as a float plane or an aluminum boat, even though the Seawind is much more stable on the water. Float planes are susceptible to flipping over and when they do, they sink like a rock. Aluminum boats, when damaged, likewise will sink. Even if the four rugged floatation compartments and the cabin were swamped, the Seawind will not sink.

Much is being said about ballistic parachutes. It is currently used on a popular fixed-gear land plane. The Seawind has many more landing options than a fixed gear land plane. Those options were published in our Summer 2004 Flyer which can be found on www.seawind.net.

The key to safety and insurance cost reduction is pilot training. Our transitional training outline can be found on our web site. The hull insurance program is outlined as follows:

SEAWIND INSURANCE ESTIMATE

LIABILITY AND PROPERTY DAMAGE ESTIMATE

This insurance is readily available at a reasonable cost of \$800 to \$1,200, depending on the coverage selected. We will have a source for this insurance.

HULL INSURANCE ESTIMATE

The Seawind hull insurance plan is a "captive" insurance for Seawind Certified hulls only. It is not available for any other aircraft. It depends on the owner/pilot having the proper training, the company guaranteeing the cost of repairs, and the "captive" administration cost being held to a minimum. The following estimates are for a hangared aircraft with a safe operating record.

LAND ONLY

DEDUCTIBLE: The deductible is \$5,000 for the first year and/or fifty hours. Thereafter, the deductible is then reduced to \$2,500, per incident.

Application fee – one time -- \$5,000 Refundable

Annual Premiums:

First year -	\$5000
Year 2 - (with safe record) -10%....	\$4500
Year 3 - (with safe record) -10%....	\$4050
Year 4 - (with safe record) -10%....	\$3645
Year 5 - (with safe record) -10%....	\$3281
Year 6 - (with safe record) -10%....	\$2953
Year 6 - return of 1/2 of applic. fee.	(-\$2500)
Year 7 - (with safe record)	\$2953
Year 8 -	\$2953
Year 8 - return of bal. of applic. fee.	(-\$2500)

LAND AND WATER

DEDUCTIBLE: The deductible is \$10,000 for the first year and/or fifty hours of safe operation. It is then reduced to \$5,000 per incident.

Application Fee(\$5,000 additional over "land only") – Total \$10,000 Refundable

First Year -	\$9000
Year 2 - (with safe record) -10%....	\$8100
Year 3 - (with safe record) -10%....	\$7290
Year 4 - (with safe record) -10%....	\$6561
Year 5 - (with safe record) -10%....	\$5905
Year 6 - (with safe record) -10%....	\$5300
Year 6 - return of 1/2 of appli. fee..	(-\$5000)
Year 7 - (with safe record)	\$5300
Year 8 - (with safe record)	\$5300
Year 8 - return of bal. of appli. fee..	(-\$5000)

Program Feature:

- Your insurance is in effect upon delivery and commencing transitional training. It is also in effect as pilot in command after land transition sign off or land and water transition.
- Additional reduction for instrument rated pilots.
- Recurrent training after first year and bi-annually thereafter.

FINANCING

We provided financing information in the Fall 2004 Seawind Flyer for USA and Canadian customs. If we can be of further help, please call. We will have financing for other countries as the need occurs.

TRAINING PROGRAM

As part of the purchase contract, a total of eight hours of transitional training is included. The program is not designed to provide pilot ratings, i.e., private pilot or water rating. It is intended to give a current licensed pilot transitional training for operating a Seawind. It is expected that two to four hours of training will be required for land checkout and four to six hours for water operation checkout. Click on [Training](#) on our web site for more information.

A basic syllabus for the training program is on the same web page. Click on [basic training syllabus](#).

The training is a pre-requisite for participation in the insurance program.

SEAWIND FLY-IN EVENTS

The future planned Seawind Fly-In events are an integral part of the training and insurance program.

At the start of production, the number of customer aircraft will be small and it will be difficult to have more than two fly-ins per year. As the fleet grows we intend to have many more fly-ins in a number of locations.

The objective is to combine training with recreation and camaraderie. We will be selecting locations with good land and water training facilities. Safety and proficiency seminars will be scheduled and instructors will be available for recurrent and advanced flight training. Ample time will be made for golf, fishing or other activities.

In the past, two fly-in events were organized for kit builders and they were very successful. The events were three-day affairs, mostly attended by couples.

We had Seawinders come from as far away as New Zealand. Over fifty people attended each fly-in. We are looking forward to even bigger and better events in the future.

PREVENTATIVE MAINTENANCE

One of the respondents to the questionnaire requested information about preventative maintenance.

The Seawind is the kind of airplane that you can use in remote places. A kit builder has the advantage of assembling the aircraft. He knows how the systems work and can trouble shoot them if needed. He is also licensed to work only on his aircraft, to perform all maintenance and the annual airworthiness inspection.

The certified Seawind owners will not have the same advantages.

We are considering a factory training program where certified owners can learn to do limited maintenance and trouble shooting. There are a number of maintenance items that an owner is permitted to perform on a certified aircraft. The program is envisioned as a combination of classroom instruction and hands-on experience in the shop working on the power plant and systems. Special attention would be paid to operational characteristics and diagnostic trouble shooting.

We expect that it would be a minimum of three days, but more than likely, a four-day training session.

We are not sure how many people would be interested in such a program. There would be a nominal charge for the training. We would like to hear your comments or interest.

MEANWHILE BACK AT THE FACTORY

Work has been continuing while the due diligence is being completed on the financing package. Unfortunately, these things take time.

Main Landing Gear - Qualification tests have been successful and the official government observed final tests, are scheduled for mid December. The new landing gear design is robust and the energy absorption should provide very smooth landings, even on unimproved runways.

Nose Landing Gear - We decided to lengthen the oleo stroke (energy absorber) to make landings smooth and easy. The initial testing, up to 75% of the load, was successful. At the bottom of the longer stroke we started to get distortion in a joint. The subject area will be modified. We expect to complete the nose landing gear testing in January.

Seats - The standard seating configuration for the Seawind is two moveable and reclining forward seats with four point restraints.

The two shoulder restraints are built in the seat back to make getting in and out of the rear seats easier and to reduce cabin clutter. The rear seats for the standard four-place Seawind are two seats with armrest for two full-size adults. The seats are fixed in position but are easily removed without tools.

The five-seat configuration will now consist of three equal width seats in the rear. The original concept of using the center rear seat as a fold-down armrest for the executive two-seat rear configuration, was impractical. The three-rear seat configuration is perfect for three children, but would be uncomfortable for two full-size adults.

If your mission involves both seating requirements, you will have to order both configurations. We will have final pricing as soon as the crash tests are completed.

DUAL CERTIFICATION

During the Oshkosh show, a number of people asked about FAA and JAA certification.

We are certifying concurrently with Transport Canada and the FAA under a new program.

Fortunately, we answer to one agency, not both. However, we have to answer many more questions, which is taking more time.

The total time to get both certifications will ultimately be less. Both approvals will come at the same time. European EASA (formally JAA) and Australian approval will follow later. In the meantime, those customers may purchase the Seawind with an "N" number and take delivery.

DELIVERY

The Seawind need not be ferry flown to distant countries. The wings, horizontal tail and the tail fin can be removed and the entire aircraft can be shipped in a high cube 40 foot container.

WE WOULD LIKE TO HEAR FROM YOU.

We invite questions, comments and suggestions.

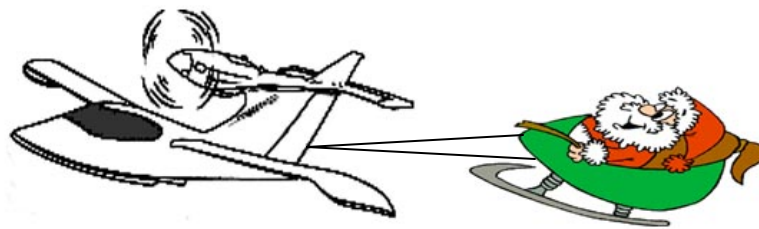
COMING THIS SPRING

We are investigating some interesting and exciting engine options. We will be answering questions pertaining to the latest trends in avionics and accessories.

HOLIDAY SEASON

From all of us at Seawind in Kimberton, Pennsylvania and Saint-Jean-sur-Richelieu, Quebec, we wish you all a Merry Christmas and the Peace and Joy of the Holiday Season.

This has been a productive and successful year for us. With adequate funding, we will be able to complete certification this coming year. We have enjoyed sharing the events with you.



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