



1585 Aviation Center Parkway, Ste. 605, Daytona Beach, FL 32114

## Bonanza Tuned Exhaust System – Pre-Production Agreement

**1.0 Background:** Power Flow Systems, Inc. has been hard at work developing a high performance Tuned Exhaust System for the Beechcraft Bonanza. This will be our first six cylinder exhaust system, so all existing PFS exhaust designs would not come close to fitting. It required a “clean-sheet” design to fit inside the cowling while accommodating the necessary lengths of stainless steel tubing for increased performance.

PFS is pleased to announce that we have designed an exhaust that meets all of our design parameters and delivers substantial improvements in the performance of the Beech Bonanza. At this point, all of our developmental testing has been done on only one aircraft, our A36, N9066S with an IO-520 engine.

Based on over 3700 Power Flow equipped aircraft flying today, we are confident that the performance we are seeing on our test-bed aircraft will be representative of the gain experienced by “the average” Bonanza. As is normally the case, some aircraft will respond even better to the Tuned Exhaust, while some may not respond quite as well.

Due to the unique design, we do not want to fully commit to the high cost of FAA certification and production tooling of this new system unless a significant number of Bonanza owners are willing to commit to the purchase of the exhaust after it has been certified.

As we have done successfully for both the Cessna Cardinal RG and the Aviat Husky, Power Flow is therefore proposing to certify and produce our new Tuned Exhaust System for the Bonanza under the condition that a minimum of thirty (30) current owners of I/O-520 powered Bonanza’s demonstrate their commitment to purchase the STC’d system by putting down a deposit of \$500.00.

As explained in detail in the Agreement below, this deposit is NON-REFUNDABLE unless Power Flow elects not to certify or produce a Tuned Exhaust System for the depositor’s Bonanza.

This agreement is intended solely for IO-520 Bonanza owners. It is Power Flow’s intention to certify Bonanza’s configured with IO-470 and IO-550 engines after certification of our system for IO-520 powered Bonanza’s has been obtained.

Deposit information outlined in this agreement applies to IO-520 owners only. If own an IO-470 or IO-550 Bonanza, please fill out the last page of this agreement ONLY and you will be added to our list (no deposit is required for you). You will be notified as soon as further information on your configuration becomes available.

### 2.0 Exhaust Features:

An entirely new high performance tuned exhaust system, includes Power Flow’s patented and patent pending design features such as:

2.1 Each header has an independent slip joint – no clamps

2.2 Mandrel bent tubing

2.3 Includes new cabin heat design, no change to SCAT connections

2.4 Weighs approximately 10 pounds more than the stock design (which will help move your CG forward)



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- 2.5 Two year/500 hour warranty, whichever occurs first (prop. must be dynamically balanced)
- 2.6 Includes all necessary hardware and SCAT tubing for installation. No need to purchase anything additional.
- 2.7 PFS exhaust exits out same locations in cowling
- 2.8 Estimated time to remove stock exhaust and install PFS: 3-5 hours

**3.0 Performance improvements:**

- 3.1 Cruising Speed increased by 4 to 7 knots
- 3.2 Up to 1.5 gallons per hour fuel savings at current speeds
- 3.3 Up to 15% improvement in rate of climb
- 3.4 Increase in service ceiling – 2000-5000 feet

**4.0 Pre-production pricing (through April 30, 2011):**

PLEASE NOTE: Power Flow reserves the right to cancel this program at its discretion by refunding in full any deposit monies that have been paid.

Deposit holder discount is guaranteed, regardless of final price. If the final retail price is lower than projected, the deposit holder price will be adjusted down to reflect the same dollar amount of savings as was originally forecast.

**4.1 Offer Basis:**

- 4.1.1 A minimum of 30 deposits from US/Canadian Customers by April 30, 2011 in order for PFS to commit to full certification and production. The sooner the 30 deposit mark is reached, the sooner PFS will apply for certification.
- 4.1.2 All deposits received by the above date receive a pre-production pricing discount as outlined below. Every deposit holder saves when a new price point is reached.

Production Prices: (subject to change)	Full System - Polished Tailpipes	\$6,500			
	Full System - Ceramic Tailpipes	\$6,900			
Number of Deposits	Pre-Production Deposit Holders Final Price			Savings (guaranteed)	
	Tailpipe Finish		Tailpipe Finish		
0-39 (at least 30 req.)	Polished	\$5,750	Ceramic	\$6,150	\$750
40-49	Polished	\$5,585	Ceramic	\$5,985	\$915
50-59	Polished	\$5,425	Ceramic	\$5,825	\$1,075
60-69	Polished	\$5,255	Ceramic	\$5,655	\$1,245

All Prices are in US Dollar Currency.

- 4.1.3 A \$500 initial deposit is required. Upon FAA Certification, a \$1,500 additional deposit is required within 30 days. The balance is due up to 1 week prior to shipment. Deposits are non-refundable, except for the specified reasons discussed in more detail below.
- 4.1.4 Production slots are first come first served. The only way to move up in the list is come to Daytona for installation. We typically install a minimum of 3 aircraft prior to releasing for outside shipment.



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**5.0 By placing a deposit, you are agreeing to the following:**

- 5.1 Your \$500 deposit is non refundable except for 3 specific reasons (\*see “Power Flow Systems, Inc agrees to” below.) and will be charged upon Power Flow’s acceptance of this agreement.
- 5.2 Your \$1,500 non-refundable deposit is due within 30 days of PFS obtaining FAA certification. You will be contacted when certification is complete. Failure to make payment within the agreed time frame forfeits your deposit, pricing, and delivery slot.
- 5.3 You will be contacted with your estimated shipping date once parts are in full production and we have completed several local installations. The balance will be due before the exhaust ships.
- 5.4 You must take delivery with in 60 days of your scheduled ship date or forfeit all deposits.

**6.0 Power Flow Systems, Inc. agrees to:**

- 6.1 Develop and obtain FAA approval for a Tuned Exhaust System for the Bonanza, provided a minimum of 30 deposits are received by April 30, 2011.
- 6.2 Guarantee minimum performance improvements from the PFS exhaust (see Performance, above).
- 6.3 Provide Customer with a 60 day money back guarantee for the Tuned Exhaust System delivered under this agreement. Said guarantee period to commence upon the date the system is installed on Customer’s aircraft.
- 6.5 Refund Customer’s initial deposit(s) IF AND ONLY IF:
  - 6.5.1 PFS decides to not bring the product to market or complete certification.
  - 6.5.2 PFS decides to not produce the exhaust or ceases production of the Tuned Exhaust System intended for the Bonanza.
  - 6.5.3 PFS does not certify or produce a product for your specific aircraft or engine configuration.

**7.0 Frequently Asked Questions:**

- 7.1 How will I know how many deposits you have received?
  - We will continuously update our website forum with the number of deposits received.
- 7.2 When will the exhaust system be certified?
  - We cannot predict a date. In the past, we have been able to certify and bring to market an exhaust design within 12 months of seeking FAA approval. However, prior experience is not a guarantee or accurate predictor of future success. It is in our best interests to bring the exhaust to the market as rapidly as possible.
- 7.3 Will Power Flow be certifying the exhaust for other countries/regions such as Europe?
  - The initial product will only be certified for US (N registered aircraft) and Canada.
  - We will consider the European market based upon the interest. The retail price will likely be higher than the US to reflect the cost of additional certification required by EASA.
- 7.4 Why is the price for the exhaust more expensive than for other aircraft?
  - This pricing is for six cylinder aircraft whereas all of our previous certifications have been for four cylinder aircraft.
  - Cost of certification continues to climb. This affects the end unit price as we have to amortize those costs over a certain number of aircraft to provide a reasonable rate of return for the risk we incur.
- 7.5 How can I pay for the deposit?
  - We prefer major credit cards, but will also accept checks & money orders.



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7.6 If I choose not to take delivery of the exhaust after I have paid the non-refundable deposits, do I have any additional options?

- Yes, you are able to sell your deposit slot at which time you must notify us of your intentions. We will not refund your deposit; the new purchasing party will be responsible for compensating you for your deposit. Upon your authorization, we will change the name of the deposit holder from your name to the new customer's name. You have 60 days from notification that your exhaust is ready in order to complete this process.

7.7 Will my deposit money be put into an escrow?

- No. The cost to set-up, manage and administer the escrow adds levels of complexity and cost to this project. In part, this is why we are requiring only a small deposit on the exhaust and encouraging the use of credit cards to make the initial deposit.

7.8 If I have international currency, will you wait to take payment until the exchange rate is good?

- Regardless of currency, payment is due as described in the above agreement. If you are worried about the exchange rate changing, we would suggest setting up a bank account in US funds.

7.9 What if I am not able to pay the final balance prior to the scheduled ship date?

- Should this situation occur, you will be moved until the end of the pre-production line or will be provided with a 60 day grace period (whichever is more beneficial to you).

7.9 What if PFS does not certify the product with my engine configuration, is my deposit refunded?

- Yes, this is stated earlier in the agreement as one of the three conditions in which your deposit is refundable. Initial certification is planned for the IO-520 Bonanza beginning with the A36. Power Flow anticipates IO-470 and IO-550 certifications to follow thereafter.

## Customer Agreement:

### Customer Information:

Name (Print): \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_ Cell or Alt. Contact #: \_\_\_\_\_

### Aircraft Information

Tail Number: \_\_\_\_\_ Aircraft Model: \_\_\_\_\_

Aircraft Serial Number: \_\_\_\_\_ Year Built: \_\_\_\_\_

Engine: \_\_\_\_\_ Propeller Manufacturer & Model #: \_\_\_\_\_

### Payment Information:

#### Credit Card:

Name (as it appears on card): \_\_\_\_\_

Credit Card #: \_\_\_\_\_

Exp. Date: \_\_\_\_\_ CID#: \_\_\_\_\_ Billing Zip Code: \_\_\_\_\_



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I, \_\_\_\_\_, do hereby agree to the terms stated henceforth in the Bonanza  
print customer name

Tuned Exhaust - Pre-Production Agreement. It has been fully disclosed and I understand that my deposit is non-refundable unless at least one of the following occurs:

1. PFS decides to not bring the product to market or complete certification.
2. PFS decides to not produce the exhaust or ceases production for the Bonanza.
3. PFS does not certify or produce a product for my specific engine configuration.

By signing this agreement (and initialing each page) I hereby acknowledge acceptance of this agreement as a binding contract.

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Power Flow Systems, Inc., does hereby agree to the terms stated above in the Bonanza Tuned Exhaust - Pre-Production Agreement.

For Power Flow Systems, Inc.:

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_



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# Contact Form

(for IO-470 & IO-550 Bonanza Owners)

Thank you for your interest in Power Flow Systems, Inc. As stated above, it is Power Flow's intention to certify our Tuned Exhaust System for the IO-470 and IO-550 powered Bonanza's once certification of the IO-520 system is complete. Please fill out this form if you would like to be added to our list of IO-470/550 owners interested in a Power Flow Tuned Exhaust System. This information will be held as confidential by PFS and will not be sold or otherwise distributed to any third party. We appreciate your responses!

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

EMAIL \_\_\_\_\_ PHONE OR CELL # \_\_\_\_\_

BEECH MODEL \_\_\_\_\_ YEAR BUILT: \_\_\_\_\_ S/N (IF KNOWN): \_\_\_\_\_

AIRCRAFT 'N' # or TAIL NUMBER \_\_\_\_\_

ENGINE (please circle)      IO-470      IO-550      OTHER

PROPELLER MANUFACTURER \_\_\_\_\_

PROPELLER MODEL \_\_\_\_\_

Continental \_\_\_\_\_ Other \_\_\_\_\_

Does your aircraft have a Turbo installed on it?    N            Y

Additional information that can help us help you - (Please "X" all that apply)

\_\_\_ I'm interested in learning more about the Power Flow exhaust for my Beechcraft.

\_\_\_ Notify me when a system is available for my aircraft.

\_\_\_ I'd be interested in having you use my aircraft for fit verification of the exhaust.

\_\_\_ I'd be interested in having you use my aircraft for flight testing of the exhaust.

[END]