

29 April 1970

Aircraft Sales, Inc.
Attn: Gary L. Rosenwinkel, President
Flying Cloud Field
Box 1219
Hopkins, Minnesota 55343

Dear Mr. Rosenwinkel:

Your message to Conveyances Examiner Aletha J. Moore concerning registration of aircraft with the FAA Aircraft Registry has been referred to this office for reply.

In your message you question the need for a separate bill of sale where a "Retail Installment Contract and Security Agreement" has already been furnished to the FAA Aircraft Registry. You suggest that this is in effect a bill of sale and request our assistance in this matter in the future.

The "Retail Installment Contract and Security Agreement" referred to in your message appears to be a form drafted pursuant to the Uniform Commercial Code. As such, it is a relatively new type of form which differs significantly from the sales agreements utilized in the past. These differences have caused considerable problems as regards the registration of aircraft in that they do not appear to meet some of the requirements outlined in Part 47 of the Federal Aviation Regulations. Because of this, the Registry has been requiring, as an interim measure, the submission of separate bills of sale. In addition, both the FAA Aircraft Registry and this office are conducting an overall study of the problem of the relationship of Part 47 to the provisions of the Uniform Commercial Code. The question specifically raised by you is specifically included in this study which we anticipate will be completed in the near future. Until that time, it will be necessary for you to continue submitting separate bills of sale.

2

We would like to apologize for the delay in providing a more specific answer to your question. However, the problems encountered in the connection with the differences between the regulatory scheme of Part 47 and the Uniform Commercial Code are most complex. You may expect a more specific answer as soon as the above mentioned study is completed.

Sincerely,

FREDERICK C. WOODRUFF
Asst. Aeronautical Center Counsel, AC-7

cc:
AC-250 ✓

TO FAA Aeronautical Center
Aletha J. Moore
PO Box 25082
Okla. City, Okla. 73125

FROM

AIRCRAFT SALES INC.

FLYING CLOUD FIELD

~~ROUTE~~ **Box 1219**
HOPKINS, MINNESOTA 55343

SUBJECT:

N207D

DATE: 2-10-70

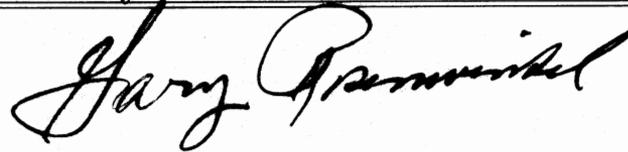
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MESSAGE

Since we began dealing with the Marquette Bank of Minneapolis, it seems every contract ever handled by them, has problems with FAA. Can you help me correct this problem? Over the years, when a customer signs a contract, on the back the seller endorses it over to the Bank, and banks files contract with FAA. After the buyer makes all his payments, and finally pays the full amount of this contract, the Bank simply sends a release to FAA, and contract is returned to Bank, and bank returns paid contract to buyer. and buyer automatically has clear title to plane, The ENDORSEMENT on back of contract by me, as seller constitutes the bill of sale, only after customer fullfills his end, by making all payment. Now the past year of so, FAA is asking for me to make out a bill of sales and forwarding it to FAA, so they can complete disposition of contract etc. Why the change, or what is wrong.? Thank you.

PLEASE REPLY TO → SIGNED Gary L. Rosenwinkel Pres.

REPLY



OKLAHOMA CITY, OKLA

FEB 12 1 31 PM '70

DATE

SIGNED

OKLAHOMA CITY, OKLA

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AERONAUTICAL CENTER
P. O. BOX 25082
OKLAHOMA CITY, OKLAHOMA 73125



6 February 1970

TE:
REPLY
REFER TO:

AC-252

SUBJECT:

N207D

TO: Mr. Gerald D. Burns
9000 Macollet Avenue, South, Apt. 318
Minneapolis, Minnesota 55420

The enclosed copies of a retail installment contract and security agreement with disclosure statement pertaining to Beech aircraft N207D are returned for your disposition. The original and a copy of the retail installment contract and security agreement are in our file, having been received on 3 October 1969.

Our form letters to you dated 22 October 1969 and 27 January 1970 requested a bill of sale from Aircraft Sales, Inc. to you to enable us to issue a certificate of registration in your name and record the security agreement which was executed by you as purchaser, Aircraft Sales as seller, and assigned to The Marquette National Bank of Minneapolis.

Since you have apparently submitted the attached copy of the security instrument in response to our last request for documentary evidence of ownership, this is to advise you that the security instrument (even though it identifies the seller and the buyer) is not acceptable as a transfer of ownership but only as a security agreement whereby you are granting a security interest to the seller or his assigns. A bill of sale transferring all right, title, and interest in the aircraft from Aircraft Sales, Inc. to you is required to register the aircraft in your name and record the security agreement in favor of The Marquette National Bank of Minneapolis.

Aircraft Sales, Inc. and The Marquette National Bank of Minneapolis are being furnished with a copy of this letter.

Althea J. Moore
ALTHEA J. MOORE
Comptroller Examiner, AC-252

Enclosures

cc:
Aircraft Sales, Inc.

OKLAHOMA CITY, OKLA

FEB 12 1 37 PM '70

BY AIRMAIL REGISTERED MAIL
COMMUNICATIONS SECTION

6 February 1970

AC-252

NR07D

Mr. Donald B. Burns
9000 Hennepin Avenue, South, Apt. 318
Minneapolis, Minnesota 55420

The enclosed copies of a retail installment contract and security agreement with disclosure statement pertaining to Beech aircraft NR07D are returned for your disposition. The original and a copy of the retail installment contract and security agreement are in our file, having been received on 3 October 1969.

Our four letters to you dated 22 October 1969 and 27 January 1970 requested a bill of sale from Aircraft Sales, Inc. to you to enable us to issue a certificate of registration in your name and record the security agreement which was executed by you as purchaser, Aircraft Sales as seller, and assigned to The Marquette National Bank of Minneapolis.

Since you have apparently submitted the attached copy of the security instrument in response to our last request for documentary evidence of ownership, this is to advise you that the security instrument (even though it identifies the seller and the buyer) is not acceptable as a transfer of ownership but only as a security agreement whereby you are granting a security interest to the seller or his assigns. A bill of sale transferring all right, title, and interest in the aircraft from Aircraft Sales, Inc. to you is required to register the aircraft in your name and record the security agreement in favor of The Marquette National Bank of Minneapolis.

Aircraft Sales, Inc. and The Marquette National Bank of Minneapolis are being furnished with a copy of this letter.

Altho J Moore
ALTHO J. MOORE
Comptroller, AC-252

Enclosures

cc: Aircraft Sales, Inc., and The Marquette National Bank

AC-252:AJMoore:lak:6Feb70

CONCURRENCES
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DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

M 22 OCT 1969

AERONAUTICAL CENTER
P. O. BOX 25082
OKLAHOMA CITY, OKLAHOMA 73125



DATE:

BY:
TO:

AC-250:N _____

SUBJECT: Aircraft Registration/Bill of Sale

TO:

_____ Zip _____

A certificate of registration may be issued in your name upon receipt of the items checked below and/or the bill of sale completed as requested:

Registration fee of \$5.00 in the form of a money order or check, payable to the Federal Aviation Administration. (Please return this letter when submitting fee only.)

Application for Aircraft Registration, FAA Form 8050-1.

Original bill of sale or an executed duplicate thereof signed in ink, completing the chain of ownership from

_____ to
_____.

The seller(s) must sign in ink.

Show the title of the person signing for _____.

Show the name and address of the purchaser.

In addition to the trade name, show the name of the owner(s) in the purchaser's block.

Show the (partnership) (corporate) name of the seller.

Show the description of the aircraft (registration number, make, serial number).

LESTER G. ROBINSON
Chief, Aircraft Registration Branch, AC-250

94074

RETAIL INSTALLMENT CONTRACT AND SECURITY AGREEMENT

Date Sept. 23, 1969

BUYER (Debtor) Name: Gerald D. Burns; SELLER (Secured Party) Name: Aircraft Sales Inc.; Address: 9000 Nicollet Ave. S. Apt. 318, Minneapolis 55420, Henn County, Minn.

The Buyer hereby buys, under the terms and conditions on the face and back hereof, and acknowledges delivery of the following described property, complete with all standard attachments and equipment and all additional accessories attached thereto, to wit:

Table with columns: Year and Make, Cyl., Series, Body (If Truck, Tons Capacity), Serial Number, License Number. Includes checkboxes for New/Used.

Table with columns: YEAR, MODEL, MAKE, DESCRIPTION OF MERCHANDISE, SERIAL NUMBER. Item: 1953 D35 Bonanza Beech N207D Serial D3461. Description: 2200 TT, 865 SMOH, 600 STO, Full gyro's, Rotating beacon, Angle of Attact, KX-150A, Lear ADF, Lear LTR-6 and omni head.

and the Buyer promises and agrees to pay therefor, including insurance premiums as hereinafter set forth.

THIS TRANSACTION DOES NOT PROVIDE AUTOMOBILE LIABILITY INSURANCE FOR BODILY INJURY OR PROPERTY DAMAGE CAUSED TO OTHERS.

Table with financial details: 1. Cash Sale Price \$9645.50, 2. Down Payment \$1500, 3. Balance (Subtract 2 from 1) \$8145.50, 4. Insurance Premium and Coverage, 5. Official Fees, 6. Principal Balance, 7. Credit Service Charge, 8. Time Balance, 9. Net Sale Price \$13945.50.

Buyer hereby agrees to pay the time balance in the amount herein specified, payable in 59 equal installments of \$207. each, and 1 installment of \$217. each, the first installment being due and payable Nov. 15, 69 and a like payment on the same date of each and every month thereafter until fully paid.

Check if the following paragraph applies. THIS CONTRACT IS NOT PAYABLE IN INSTALLMENTS OF EQUAL AMOUNTS.

An installment of \$ will be due on Larger installments will be due as follows:

Buyer having been given the option of placing insurance with any agent or company of his choosing, hereby requests the Seller, as buyer's agent, to procure the Insurance as indicated above. The Seller shall not be responsible for lack of insurance coverage by reason of subsequent cancellation by the insurer in accordance with the cancellation provisions of the policy(ies) or certificate(s). The meaning of the designated type of insurance and the scope, coverage, terms, exceptions, restrictions, limitations and conditions thereof, shall be determined exclusively by the policy(ies) or certificate(s) issued by the insurer. The foregoing insurance coverages shall be payable to the Buyer and Seller as their respective interest may appear.

Buyer hereby elects to purchase at time price and understands and agrees that the credit service charge as specified herein is not interest upon a loan of money, or upon the forbearance of any debt. Buyer further agrees that credit extended pursuant to this contract is not a loan of money, and that any consideration for the sale, transfer or assignment of this contract is not to be construed as involving a loan of money to the Buyer. Buyer further agrees to the terms and conditions of the Security Agreement as set out on the reverse side hereof which are, by this reference, included herein.

DESIGNATION OF INSURED For insurance, if any, to be obtained in connection herewith, other than insurance on the car, Buyer designates as the person to be covered the individual whose signature on behalf of Buyer first appears below. (Such signer for corporation must be an officer; for partnership, a partner.)

NOTICE TO THE BUYER: 1. Do not sign this contract before you read it or if it contains any blank space. 2. You are entitled to a completely filled in copy of this contract when you sign it. 3. Under the law, you have the following rights, among others: (a) To pay off in advance the full amount due and to obtain a partial refund of the credit service charge; (b) To redeem the property if repossessed for a default within the time provided by law; (c) To, under certain conditions, a resale of the property if repossessed.

Buyer acknowledges receipt of a true copy of this contract.

Witness lines, Signature of Gerald D. Burns (Buyer), Signature of Aircraft Sales Inc. (Seller), Date 9-23-69, ORIGINAL TO THE MARQUETTE NATIONAL BANK OF MINNEAPOLIS

SECURITY AGREEMENT

A. The Buyer (Debtor) as security for the payment of the indebtedness hereunder, does hereby grant to Seller (Secured Party) a security interest in the personal property described on the reverse side hereof (the "collateral") including all substituted and additional parts, equipment, appliances and accessories now or hereafter placed upon such personal property.

B. Debtor agrees to keep the collateral insured against fire with extended or combined additional coverage for the full insurable value thereof and against such other risks in such amounts as Secured Party may specify, all such fire and other insurance to protect Secured Party's interests with a long form endorsement to Secured Party. If Debtor fails to provide insurance as required herein, then Secured Party, at its option, may secure such insurance and Debtor hereby agrees to pay immediately all sums demanded by Secured Party together with interest from the date of expenditure at the highest rate permitted by applicable law, and the amount due shall be indebtedness incurred by this agreement.

C. Upon default in any payment required hereunder, or in the event Secured Party in good faith deems itself insecure, Secured Party may at its option declare the entire unpaid balance hereunder immediately due and payable and Secured Party shall have all of the rights granted by this Security Agreement and to a Secured Party after default under the provisions of the Uniform Commercial Code including specifically the right to take possession of the collateral, and without notice of any such occasion Secured Party may enter upon the premises of Debtor or any place where such collateral may be found and take possession thereof with or without process of law.

D. Any requirement of reasonable notice to Debtor shall be met if such notice to Debtor is deposited in U.S. mail by certified mail, postage prepaid, to the address of Debtor, as hereinabove set forth (or to such other address as Debtor may have requested in writing), at least seven (7) days before the time of the event set forth in such notice.

E. Publicity for any public sale shall be deemed commercially reasonable if such sale is advertised once not less than seven (7) days nor more than twenty (20) days prior to the date of sale in the classified advertising section of a daily or weekly newspaper circulated in the community where the sale is to be held.

F. At request of Secured Party, Debtor will execute one or more financing statements giving notice of this Security Agreement and Debtor hereby authorizes and empowers Secured Party to execute such financing statement or statements for and in the name of Debtor.

G. Debtor agrees that Secured Party may collect and Debtor agrees to pay one delinquency and collection charge on each installment due hereunder which becomes delinquent ten (10) days or more, said charge to be in an amount equal to five percent (5%) of said installment or \$5.00 whichever is less. Such delinquency and collection charge may be collected at the time of payment of all or a portion of the delinquent installment or at any time thereafter. In the event that this contract is placed in the hands of an attorney for repossession or collection Debtor agrees to pay in addition to all other amounts due hereunder reasonable attorneys' fees.

H. Buyer has the right to pay in full at any time before maturity the indebtedness hereunder and to receive a credit in the event of such payment of that proportion of the finance charge (after first deducting an acquisition cost of \$25.00, or such lesser amount as may be required by law) as the sum of the periodic time balances after the month in which prepayment is made bears to the sum of all the periodic balances under the schedule of payments provided herein, provided that if the credit is less than \$1.00 no credit shall be given.

I. Debtor acknowledges notice of Seller's intention to assign this contract and Debtor agrees that the balance due under this contract shall be due absolutely to the assignee and that Debtor will not assert against the assignee any claims, or defenses or counterclaims which he may have against Seller.

J. If after notice of assignment Debtor makes any payments under this contract to Seller for transmittal to Assignee, Seller shall be acting as agent for Debtor and not as agent for Assignee.

K. Debtor agrees to keep, use and maintain said property in a careful and prudent manner, and not to use same illegally or improperly, and to keep said property free of all taxes, liens and encumbrances whatsoever. Debtor agrees that any sum of money paid by the Secured Party in payment or discharge of taxes, liens and encumbrances on said property shall be promptly repaid by Debtor and shall be secured by and under this contract. Debtor agrees that said property will be kept in the county stated on the front side hereof as the county of residence of the Debtor, and Debtor agrees that he will not remove said property from said county and that he will not transfer any interest in this contract or said property without the prior written permission of Secured Party.

L. Debtor represents and warrants that no other extension of credit exists or is to be made in connection with the down payment as provided herein. This contract integrates and supersedes all prior agreements, whether written or otherwise, between Debtor and Secured Party, with reference to this transaction and represents a final agreement between the parties.

M. No agreement, arrangement or understanding past or present with respect to this purchase or payments due hereunder AND NO GUARANTY, REPRESENTATION OR WARRANTY, WHETHER ORAL OR WRITTEN, EXPRESSED OR IMPLIED SHALL BE BINDING ON SECURED PARTY UNLESS EXPRESSLY CONTAINED HEREIN OR IN WRITING AND FULLY AUTHORIZED.

N. If the property described herein is to be attached to real estate, Debtor agrees that the Collateral shall nevertheless be deemed personal property and a description of the real estate is as follows:

and the name of the owner is:

O. As used herein the term Secured Party shall mean Seller hereunder and its assignee, if any. If more than one Buyer executes this agreement the word Debtor herein and all words used with reference to Debtor shall be deemed to be plural and their obligations shall be joint and several.

SELLER'S ASSIGNMENT

THE MARQUETTE NATIONAL BANK OF MINNEAPOLIS

For valuable consideration, the receipt whereof is hereby acknowledged, the Seller hereby sells, assigns, transfers, and sets over to... the foregoing Retail Installment Contract and Security Agreement and all rights, title and interest in and to the property therein described, and all rights and remedies under said contract, without recourse as to Buyer's obligation of payment, hereby granting full power to the assignee either in assignee's name, or in Seller's name to take all such legal or other proceedings as Seller might have taken save for this assignment. To induce the assignee to purchase the above contract, the Seller warrants that the said contract is genuine and in all respects what it purports to be; that the cash payment shown has been received and/or that the allowance given for the trade-in is the amount stated; that the property sold is as represented to the Buyer and is truly and accurately described and the amount owing thereon is correctly stated; that all statements of fact therein contained are true; that at the time of the execution of the contract, Seller had good title to the property described and good right to transfer title thereto, and agrees to defend said title and agrees that said property shall be forthwith registered in the name of the Buyer. The Seller further warrants that there are no liens against the property and that same has been delivered into the possession of said Buyer; that all parties to the said contract are of legal age and have capacity to contract, that the Seller has no knowledge of any facts which impair the validity or value of said contract, and that said contract complies with applicable laws. In the event any of the warranties or agreements in this assignment are untrue or are not performed, Seller agrees to repurchase this contract, or, if the property described therein has been repossessed, Seller agrees to repurchase said property and to pay for either the contract or the property, as the case may be, the total amount of all the installments unpaid at the time of repurchase. If Seller executes any guaranty or undertaking as indicated below, the words "without recourse as to Buyer's obligation of payment" hereinabove stated are deemed deleted and Seller agrees that assignee may extend or modify terms of payment by agreement with the Buyer without affecting Seller's obligations under such guaranty or undertaking.

Aircraft Sales Inc.
By: [Signature] Pres.
Title

Signature of Seller

As parts of the foregoing assignment, Seller's obligations are governed by the paragraph set forth opposite Seller's signature below. The words "without recourse as to Buyer's obligation of payment" shall then be deemed deleted from said assignment.

REPURCHASE AGREEMENT

To Assignee:
If you repossess the property, we will upon your demand pay you the then unpaid balance, provided the property is offered to us within ninety (90) days after maturity of the earliest installment still wholly in default.

Seller
By: (Title)

LIMITED REPURCHASE AGREEMENT

To Assignee:
If you repossess the property, we will upon your demand pay you the then unpaid balance, provided the property is offered to us within ninety (90) days after maturity of the earliest installment still wholly in default.
Our liability to repurchase hereunder shall continue only until the first installment shall have been paid to you by the Buyer, each within thirty (30) days of its respective maturity, and thereafter the assignment shall be deemed to be without recourse, in accordance with said assignment.

Seller
By: (Title)

WITH RECOURSE AGREEMENT

To Assignee:
We guarantee payment of the unpaid balance on the said contract as and when the same shall become due, hereby waiving notice of acceptance hereof.

Seller
By: (Title)

OKLAHOMA CITY, OKLA

OCT 3 2 56 PM '69

FAA AIRCRAFT REGISTRY