

JTA Domestic Sales Procedures

When starting Jerry Temple Aviation (JTA) in 1994, Jerry Temple drew on the years of experience as both a Cessna Factory Representative, calling on Cessna Multi-Engine Dealers and in Sales Positions at Cessna Multi-Engine Dealerships. Recalled were the good salespersons and the not so good, the good deals and the problem sales, the right way and the wrong way.

Combining Jerry Temple's personal values of honesty and integrity with product knowledge and sales administration, a sales scenario was conceived. Over the years all of this has evolved into what is today the **JTA Twin Cessna Sales Experience**. Regardless if you are a Buyer, or Seller, a significant part of JTA's mission is to assure that both Buyer and Seller will remember the sale as the most professional and hassle free aircraft sale the customer has ever experienced.

We will now take a brief look at the typical sequence and key actions in the purchase of a Twin Cessna being listed (brokered) by JTA. Also for Twin Cessna and Conquest sales where JTA formally represents the Purchaser (Buyer), an Acquisition Agreement defines JTA's duties and responsibilities. However, many of the steps in the sales process are similar.

Let us assume you have seen a JTA advertisement in Trade-A-Plane or Controller Magazines or seen JTA's Listed Aircraft on the Controller's Website, www.controller.com or on Aircraft Shopper Online, www.aso.com or have arrived at JTA's website, www.jerrytemple.net as a result of JTA Advertising, Direct Mail, Google Searches, etc. Regardless, you are now at the world's largest website dedicated to Twin Cessnas.

The various areas of the website are all designed to provide the Twin Cessna Buyer with information to support a Twin Cessna purchase.

The Available Aircraft Section is organized to present for every Listed Aircraft its Current Specifications, Technical Data, Recent Photographs and a very informative Narrated Video.

Jerry Temple personally travels to see every aircraft that JTA has agreed to represent. Even if JTA has previously sold the aircraft, if it has been a long period since JTA has seen the aircraft, or if the current Owner has made significant changes to the aircraft, i.e., Paint, Interior, Panel, etc.; JTA meets the Owner, confirms all Specifications, evaluates the aircraft and discusses with the Owner, the Pilot or a Mechanic any issues that are pertinent to JTA being able to properly represent the aircraft.

Now let us assume you have reviewed all posted information about an aircraft and have also reviewed other areas of www.jerrytemple.net. These include Buyer Services, Temple's Tips - Articles by Jerry Temple and others, as well as, Links for information on Twin Cessna Training firms and Owner's Groups.

Now it is time to call JTA. In many cases, the Buyer may have previously spoken to Jerry Temple. This can be over the previous weeks, months and years. JTA often speaks to Pilots where a "game plan" that may cover three or four years is outlined. Often Customers may have previously received Twin Cessna Product Information Packages from JTA (See Products at www.jerrytemple.net). However, you, the Customer, know when you are **READY**, be it tires for your car, new shoes, a BBQ grill, etc., you know when you are **READY**. JTA will not have been calling to motivate you.

Regardless if it is your first call or your fifth call, JTA will address all of your questions. The A to Z Questions about the Model/Type, the particular airplane, its Specifications, Performance, History and Past-Present-Future Maintenance and the subjects of available financing, insurance costs, required training, Delivery Support, and required and/or desired Post-Sale Maintenance and/or Modifications can be addressed. Again, be it a first call or fifth call, it only takes a moment for the Customer, regardless if purchasing their first aircraft or their fifth aircraft, to know they are speaking to a Pro - a seasoned veteran with the answers and insight.

Offer to Purchase: A verbally discussed Offer is formalized on JTA's Offer to Purchase form. The Offer to Purchase is not a final Purchase Agreement and states so. It is a tool JTA has found to set up the guidelines to work through the Offer, Examination and Closing/Funding Process. Both Buyer and Purchaser sign a final Purchase Agreement after a Pre-Purchase Examination and in conjunction with closing/funding. JTA does not require earnest money with an Offer. JTA will accept, subject to review, the use of a Purchaser's (non-JTA form) Offer form. JTA presents the submitted Offer to Purchase to the Seller. JTA and the Seller review the Offered Price, Terms, Timetable and all other elements of the proposed sale. Offers referencing Service Bulletin Compliance, such as "all Mandatory Service Bulletins complied with" will **not** be accepted. In the USA, and in **Part 91 Piston Operations**, all Service Bulletins, Supplemental Inspection Documents (SIDS) Service Letters and Service Advisories are Optional and, therefore, are not a required maintenance action. If accepted, the signed Offer to Purchase is returned to the Buyer.

Deposit: Upon receipt of the Signed/Accepted Offer, a five percent (5%) deposit is due within 48 hours or two business days. This is a critical step. Therefore, the ability to submit the deposit should be addressed prior to any Offer being submitted. JTA will advise the Buyer that time is of the essence. Therefore, when submitting the Offer to Purchase, the ability to send the deposit should be in place.

All deposits are submitted via Wire Transfers to Aero-Space Reports (ASR) in Oklahoma City, OK. ASR is the Escrow Agent. JTA will supply the Purchaser with Wiring Instructions for ASR. Checks are not acceptable unless specifically approved by JTA and ASR due to the required time frame for all checks to clear the banking system. Do not send a Cashier's Check. Accompanying the Offer to Purchase will be the Escrow Agreement that is signed by both Buyer and Seller. JTA's policy is the Buyer and Seller equally split the Escrow Fee. Both parties benefit from the Escrow process. The Purchaser's one-half of the Escrow Fee is due at Closing/Funding and it is normally simply a part of the amount due from a Purchaser in order to close. ASR will accept the Purchaser's Escrow Fee payment by credit card if the Purchaser wishes to keep this separate from the actual aircraft purchase price. Payment of the Escrow Fee is a requirement in order to close.

The Seller's one-half of the Escrow Fee is paid by a deduction of the proceeds wired to the Seller.

The Escrow Fee is normally about \$300 to \$375 each for Piston Twins. For sales of aircraft Certified for eight seats or more, which includes the 414A, 421B/C, the 425 and 441, the International Registry (IR), aka, the Cape Town Treaty, may require added expenses. Depending on a Buyer or Seller being previously registered with the IR, or Lender involvement, there may be additional costs to a Purchaser.

Upon receipt of the Deposit the procedures and logistics of the Buyer's Evaluation Flight and a Pre-Purchase Examination are addressed. The Pre-Purchase Examination will be conducted as soon as possible with reasonable consideration given to the schedule of the Purchaser, Seller, Pre-Purchase Examination Facility and JTA. However, we strive to begin the Pre-Purchase Examination within a week, two weeks maximum, of receipt of the deposit. All deposits are refundable, subject to an aircraft completing a satisfactory Buyer's Evaluation Flight and Pre-Purchase Examination that is acceptable to the Purchaser. **Upon completion of a satisfactory Evaluation Flight and Pre-Purchase Examination, and the Purchaser's decision to complete the purchase, the deposit becomes non-refundable.**

Buyer's Evaluation Flight: As stated in the Offer to Purchase, a Buyer's Evaluation Flight (Test Flight) may be conducted. This flight is normally conducted immediately prior to the Pre-Purchase Examination. The Evaluation Flight is often the Positioning Flight from the aircraft's home base to the Pre-Purchase Examination facility.

JTA employs the term "legitimate distance" as the maximum distance a Twin Cessna will be flown for a Pre-Purchase Examination. This is a non-exact distance, but is approximately 1-1/2 to 2 hours in a Twin Cessna. It is not a coast-to-coast flight. The agreement as to the Pre-Purchase facility/location is a part of JTA's duties.

The Buyer's Evaluation Flight, regardless if a local area flight or a longer flight, is conducted as a "normal procedures" flight. Any special Buyer requests will be discussed prior to the flight.

Jerry Temple is an experienced Certified Flight Instructor. All hours flown with Jerry Temple, with instruction provided, may be logged as Dual Instruction towards insurance requirements.

JTA will coordinate the logistics associated with the Evaluation Flight and Pre-Purchase Examination. This includes the coordination of travel by Jerry Temple and the Purchaser. JTA will coordinate commercial air travel, taxi/limo, rental car, hotel, meals and other normal business travel.

JTA will review with both Buyer and Seller costs/expenses associated with a Buyer's Evaluation Flight and confirm with the Buyer or Seller costs/expenses they are responsible for paying.

Pre-Purchase Examination: The Purchaser has every right to a thorough Examination by a qualified Twin Cessna Maintenance Shop and should conduct one. The selection of the shop that will conduct the Pre-Purchase Examination – "the Pre-Buy Shop" – is a mutually agreed to item. Again, years ago JTA coined the term legitimate distance in regard to how far a Twin Cessna is flown for a Pre-Purchase Examination. Though, not cast in stone, and somewhat negotiable, a good rule is approximately under two hours. A significant distance can be covered in an hour or two in a Twin Cessna. After 15 years as JTA, and many additional years working in the Cessna System at the factory, distributor and dealer levels, JTA has developed a network of qualified Twin Cessna Maintenance Shops. They are all over the USA. The shops may be large or small, but are experienced/qualified.

When appropriate, a Buyer's Mechanic can travel to and conduct and/or participate in an Examination. The visiting Mechanic will be provided with total professional courtesies.

The cost associated with a Buyer's Evaluation Flight, Pre-Purchase Examination and Aircraft Positioning Costs are the responsibility of the Purchaser. JTA will carefully review with the Purchaser all costs that are paid for by the Purchaser. These will be outlined in the Offer to Purchase form.

JTA is skilled at establishing with both Buyer and Seller the appropriate expectations associated with the Test Flight, Aircraft Examination, Escrow Process and Delivery. All travel costs are outlined. For certain expenses reimbursed to JTA by the Buyer, a separate Expenses Agreement will be signed. No one likes misunderstandings, so JTA dedicates considerable time to professionally communicate with both Buyer and Seller the expectations, responsibilities and expenses of the sale.

The logistics associated with travel for the Buyer, Jerry Temple and perhaps the Seller, plus all details associated with an Evaluation Flight and the actual Pre-Purchase Examination is a well-planned sequence of events. JTA serves as the conductor of these orchestrated actions. Experience counts.

Purchaser, Seller and JTA review the results of the Evaluation Flight and a comprehensive Pre-Purchase Examination. There will always be discrepancies ("squawks"). Always. JTA has often stated that it is at this point in the sales process where a professional Aircraft Broker earns the Broker's compensation.

Discussing, reviewing and negotiating the various squawks and the overall Examination from a position of experience is vital. Knowledge of the realistic costs for needed Examinations, Repairs, Parts, etc., is critical. Working the issues out to mutual Buyer and Seller satisfaction is the objective. Experience combined with honesty and integrity are the tools.

Once all issues have been resolved a final Purchase Agreement, plus associated Aircraft Acceptance and Delivery documents are signed. **At this point JTA will notify the Purchaser that Full Funding is due within five (5) business days of the notification and that the deposit is not non-refundable.** The sale closes. Ownership Changes.

Financing: If the Buyer is financing the purchase, all loan approvals must be obtained and, if requested, confirmed to JTA, by the Lender, and signed Loan Documents must be returned to the Lender before an aircraft positioning flight or examination. The aircraft should never be flown to a Pre-Purchase facility, or an examination begun, without the deposit in Escrow **and** all loan approvals obtained.

Sales Administration:

As stated in the Offer to Purchase form the name and address of the Buyer listed on the Offer to Purchase may be different on the final Purchase Agreement.

Therefore, when submitting an Offer the final Purchaser's Name and address must not necessarily be listed. An "interim name" is acceptable.

However, if a Buyer is aware that a Partnership, Corporation, LLC, Trust, etc., must be established for aircraft ownership, and knowing that such actions may take time, then this should be disclosed to JTA when discussing an Offer and certainly when actually submitting an Offer to Purchase.

Pre-Purchase Examinations should not be conducted knowing that upon the completion of an examination, with the then next step of Closing/Funding, that a delay in closing exists due to the need to address the formation of the true ownership entity.

If the Seller has a loan (Security Agreement) on the aircraft, the Escrow Agent will obtain the correct pay-off amount and pay the lien holder the pay-off amount as a part of the closing/funding process.

A Buyer's Lender will file a Security Agreement (lien) with the FAA when submitting the Registration form.

Insurance: There is no legal requirement to have insurance. However, as with automobile sales, no Lender will wire the loan amount to the Escrow Agent without evidence of insurance coverage and naming the Lender as the first loss payee. Also, few instructors will provide instruction in an aircraft without proper Insurance Coverage.

If the Purchaser is a Certified US Pilot with a Multi-Engine and Instrument Ratings, Jerry Temple can provide Insurance Approved Dual Instruction on Post-Sale Delivery Flights and other Training/Check Out Flights. JTA is prepared to provide any Insurance Agent, or Underwriter, with Jerry Temple's Pilot Credentials/Experience.

Registration: JTA will prepare FAA Form 8050-1 Application for Registration as directed by the Buyer. Normally, the Purchaser will sign this form at closing. JTA will remove the old Permanent Registration (the White 3x5 Hard Card) and will place the Pink copy of the Temporary Registration form in the aircraft.

JTA will send the old Registration, signed by the Seller, to the Escrow Agent, along with the White copy of the Temporary Registration. The Escrow Agent will submit the Bill of Sale (signed by the Seller), the old Registration and the New Temporary Registration to the FAA. The new owner can expect to receive a New Permanent Registration in 3 to 5 weeks. Upon receiving the Permanent Registration, place it in the aircraft with the Airworthiness Certificate and discard the Pink Temporary copy.

If an aviation lender is financing the purchase, the lender will prepare and send the Buyer a Temporary Registration form along with the Loan Documents. The Lender will require the Purchaser to sign the Temporary Registration and the Loan Agreement and send both by overnight courier to the Lender. The Pink Copy of the Temporary Registration is kept and placed in the aircraft by the Purchaser.

Delivery: In most cases, JTA provides Delivery Support. All hours flown with Jerry Temple, an Insurance Approved and experienced Twin Cessna Instructor Pilot, may be logged as Dual Hours towards insurance required training.

Post-Sale Maintenance/Modifications: Often, as discussed above, the new Owner and Jerry Temple may depart in the aircraft immediately after the sale is completed.

However, often the aircraft may be left at the Pre-Buy Facility for needed, or desired, maintenance and/or modifications. It is a reality of purchasing a 25-35 year old aircraft. In such cases, Jerry Temple and the Buyer will return for the aircraft when it is ready.

Additionally, with several sales per year, JTA will manage more extensive Post-Sale Maintenance and/or Modifications. JTA has various shops that can conduct Modifications, Avionics and Interior and JTA coordinates/oversees other actions such as paint.

Initial Training: As part of an aircraft sale, or conducted under a separate Post-Sale Agreement, JTA can provide Insurance Approved Dual Training.

Three to four times per year JTA will attend SimCom Training with a new Twin Cessna Owner. Jerry Temple has a unique relationship with SimCom and its Instructors. Jerry Temple is treated as a well-respected Instructor both in class and in the simulator. The Customer gets the benefit of a week of total immersion in training to fly the aircraft. This means training from SimCom and JTA in the classroom, in the Simulator and continual review and insight from Jerry Temple at breakfast, lunch, dinner, etc. By the time the returned flight is completed, the new Owner will be a competent and confident Twin Cessna Pilot. Call JTA to discuss the details and procedures of this program.

Recurrent Training: Annually JTA is available, in addition to suggested simulator based recurrent training, to conduct valuable in-aircraft recurrent training.

Training Realities: Time and time again, Jerry Temple flies with Twin Cessna Pilots who have received poor initial training and weak to no recurrent training. The availability of both experienced and insurance qualified type specific Twin Cessna Instructors is at an all time low. Yet simultaneously, insurance underwriters require more stringent pilot training.

Today many Twin Cessnas have numerous aftermarket modifications/operational changes and the piloting and maintenance procedures of years ago have changed. Just as a new Twin Cessna Owner must see to it that the aircraft is at, or is brought up to a quality maintenance benchmark, the new Twin Cessna Pilot must begin flying his/her new aircraft with a sound understanding of the Aircraft's Systems and Equipment plus the procedures and techniques to be a competent and confident pilot.

The **JTA Sales Experience** provides the Purchaser with added value gained with the confidence and comfort of working with a skilled professional with the ever-present goal of creating a pleased/satisfied Buyer. From the customer's first visit to www.jerrytemple.net to the first call, to the final Training Flight, the JTA sales experience is the wisest course for a Twin Cessna Buyer to take.