



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3663

DATE FILMED 8-30-91 CAMERA NO. 2

CAMERAMAN JMN

24043562961

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011 • (202) 628-6600

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

OCT 20 1 31 PM '92

October 20, 1992

MUR 3663

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Commissioners:

The Democratic Congressional Campaign Committee files this complaint seeking an investigation into charges of violations of the Federal Election Campaign Act of 1971, as amended ("FECA"), 2 U.S.C. §§ 431 et seq., and related regulations of the Federal Election Commission ("FEC"), 11 C.F.R. §§ 100.1 et seq., by Dick Rutan, a candidate for Congress from the 42nd District of California, and his principal campaign committee, Dick Rutan for American '92 Committee ("the Committee") (referred to collectively hereafter as "Respondents").

The evidence described below shows that Respondents may have violated the FECA by accepting prohibited corporate contributions in the form of a loan from a bank secured by corporate assets, and by failing to accurately report this loan on reports filed with the FEC. The Commission must investigate these charges as quickly as possible to avoid the use of prohibited funds in connection with a federal election.

FACTUAL BACKGROUND

According to reports filed with the FEC, as of September 30, 1992, Dick Rutan had made loans to his campaign totalling \$146,850:¹

¹The actual amount of the loans is not entirely clear. On the Committee's Second Quarterly report, the individual loans from Mr. Rutan listed on the Schedule C add up to \$123,350. There are additional loans from other individuals listed totalling \$4,000. The Schedule C summary total, however, states that the amount of loans is \$131,350, and the Detailed Summary Page, in Column B, lists total loans outstanding as \$130,007.20. The new loans disclosed on the Committee's Third Quarterly report are added to the \$131,350 figure, for a total of \$154,850.

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<u>DATE</u>	<u>AMOUNT</u>
3/05/92	\$10,000
3/20/92	\$ 5,000
3/23/92	\$ 2,000
4/02/92	\$10,000
5/05/92	\$ 7,100
5/13/92	\$ 8,000
5/19/92	\$27,000
5/22/92	\$22,000
5/28/92	\$ 4,500
6/08/92	\$20,000
6/15/92	\$ 7.750
7/21/92	\$ 3,500
7/30/92	\$20,000

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In a letter dated September 25, 1992, attached as Exhibit A., Mr. Rutan's campaign treasurer responded to an FEC inquiry about these loans by describing the loans as made from personal funds of the candidate. He goes on, however, to described in some detail the terms of a line of credit for \$100,000 extended by Mojave Desert Bank ("Mojave"), a national bank, to Voyager Aircraft, Inc. ("Voyager") on April 13, 1992. The treasurer notes that corporate assets were used to secure the loan and that Mr. Rutan is considered a personal guarantor on the line of credit.² The letter states that the first date of use of the line of credit was May 18, 1992. The treasurer goes on to note that:

a C-1 was not filed [sic] out because the candidate never borrowed the money but merely acted as a personal guarantor of the loan to Voyager Corporation.

The candidate had outstanding loans owed to him by Voyager and past due salary owed him. I believe the line of credit was established to secure payment of those sums to the candidate owed by Voyager Aircraft Inc.

²Mr. Rutan is President of Voyager Aircraft, Inc. and a Director of Mojave Desert Bank. See Exhibits B (Legal Notice of formation of Mojave Desert Bank) and B (Personal Financial Disclosure Report for Dick Rutan).

Mr. Rutan's loan schedules indicate that he loaned his campaign \$42,000 before May 18, 1992, and \$104,850 after May 18, 1992.

The treasurer's account of the loan would appear to be supported by the documents attached as Exhibits D and E. Exhibit D is an Aircraft Bill of Sale dated January 1988. The Bill of Sale details the sale of a Beechcraft Baron 58P by United Beechcraft, Inc. to Voyager Aircraft, Inc. The document indicates that the transaction involved the transfer of "all rights, title and interests in such aircraft" to Voyager.

Exhibit E is an Aircraft Security Agreement filed with the Federal Aviation Administration. The document lists Voyager Aircraft, Inc. as the Debtor/Borrower, and Mojave Desert Bank, NA as the Secured Party/Assignor/Lender. The aircraft involved in the transaction is described as a 1984 Beechcraft Baron 58P. The Security Agreement was entered into in connection with a credit agreement dated May 11, 1992 in the amount of \$100,000. Among other statements, the Security Agreement contains a warranty by Voyager that it is "the lawful owner of the Collateral and holds good and marketable title to the Collateral, free and clear of any Encumbrances except the lien of this Agreement."

Despite these documents indicating a line of credit extended to Voyager, a letter from counsel to Mojave, attached as Exhibit F, states clearly that it "has made an entirely legal, fully secured loan to Dick Rutan to assist him in his campaign for Congress." Counsel goes on to state that "the bank would have made the same loan to you if you, like Dick Rutan, were relying on your own funds to support your campaign and if you, like Dick Rutan, could provide adequate security for the loan."

The matter is further confused by statements contained in Mr. Rutan's personal financial disclosure report filed under the Ethics in Government Act, attached as Exhibit B. This report shows the following:

- Asset described as a Demand Note owed by Voyager, valued in the category \$15,000 to \$50,000.
- Asset described as a 1984 Beechcraft Baron aircraft valued in the category \$250,000 to \$500,000.

- Bank accounts and investments (not including personal property or stock) valued, even at the most generous level, at less than \$70,000.
- No liability owed by Voyager for past due salary.
- Liability described as a Line of Credit for Voyager Aircraft, Inc. "with personal guarantee and pledge by Dick Rutan individually" (and secured by the 1984 Baron aircraft) valued in the category of \$50,000 to \$100,000.

LEGAL ANALYSIS

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The FECA contains a strict prohibition on the making of contributions or expenditures by a corporation or a national bank in connection with a federal election. 2 U.S.C. § 441b. The law contains an exception from this prohibition for loans from specified lending institutions made in accordance with normal banking regulations. FEC regulations which took effect on April 1, 1992, require that such bank loans be fully collateralized by assets owned by the candidate (or the campaign committee, if the loan is made to the committee). 11 C.F.R. §§ 100.7.

A candidate's personal assets are defined in the FEC's regulations at 11 C.F.R. § 110.10(b)(1):

Any assets which, under applicable state law, at the time he or she became a candidate, the candidate had legal right of access to or control over, and with respect to which the candidate had either:

- (i) legal and rightful title; or
- (ii) an equitable interest.

Loans to a candidate from a lending institution which are subsequent loaned to the candidate's campaign must be fully disclosed on Schedule C-1, including the disclosure of the underlying loan agreement. 11 C.F.R. § 104.3.

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In this case, it is unclear what exactly has happened, but under either version, a violation of the campaign laws has apparently occurred. According to Mr. Rutan's treasurer, a line of credit extended to Voyager Aircraft, Inc., secured by corporate assets, is being used to supplement Mr. Rutan's campaign expenses. The treasurer notes specifically that Mr. Rutan did not borrow the money himself. This would appear to be a violation of the prohibition on the use of corporate funds in connection with a federal election. Even if, as is implied in the Treasurer's letter, the line of credit to Voyager was designed to "pay off" certain obligations owed by Voyager to Mr. Rutan, the amounts in question appear to far exceed any liabilities reported by Mr. Rutan as owed to him by Voyager.

In direct contradiction to this, according to counsel to Mojave, the bank has loaned money directly to Mr. Rutan "to assist him in his campaign for Congress." This loan has not been disclosed by the Committee and no documentation for the loan has been provided for the public record. It is, therefore, impossible to tell whether the loan has been made in accordance with banking regulations and whether it is fully collateralized with the candidate's personal assets. It would appear, however, that the assets used to secure any such lending by Mojave are owned by a corporation, Voyager. Again, this appears to be a violation of the prohibition on the use of corporate funds in connection with federal elections, as well as a violation of the disclosure requirements of the law.

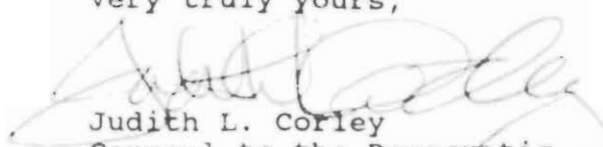
CONCLUSION

On the basis of the foregoing, the Democratic Congressional Campaign Committee asks that the FEC:


- Conduct an immediate investigation into the facts described in this Complaint;
- Enter into prompt conciliation with Respondents to remedy the violations alleged in this Complaint and, more importantly, to ensure that no further violations occur; and

- Impose all penalties required by the violations alleged in this Complaint.

Very truly yours,


Judith L. Corley
Counsel to the Democratic
Congressional Campaign Committee

Subscribed and sworn to before me
this 20th day of October, 1992.


DINA D'AMICO
Notary Public, Washington, D.C.
Notary Public

My Commission Expires: October 31, 1993

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EXHIBIT A

92 OCT 20 PM 3:21

END

SEP 25 1992
REGULAR MAIL

GREGORY T. ANNIGIAN
ATTORNEY AT LAW

(714) 941-9340
(714) 941-9784
FAX (714) 946-8884

222 N. Mountain Ave.
Suite 210
Upland, California 91786

September 25, 1992

Clerk of the House of
Representatives
Office of Records and
Registration
1036 Longworth Office Bldg.
Washington, DC 20515-6612

144771

RE: Dick Rutan For America - '92 Committee
Identification Number C00261800
July Quarterly Report - Summary Page, Loans from the
Candidate, 48 hr. notices

Dear Clerk:

This letter and amendment are in response to the letter from
the Federal Election Commission regarding the July Quarterly
Report.

1. The Summary page includes all debts and obligation on
schedules C & D which total \$145,850.00. If you add
schedule C, which is \$131,350.00 to schedule D, which is
\$14,500.00, they total \$145,850.00;
2. Attached hereto is the check referred to on 5/20/92.
Please note that because Duncan Mac Gillivray did not
sign the check. We inadvertently listed it for Duncan
Mac Gillivray, but upon discovery listed it in our report
on page 1 of Schedule A-box 6 for Ted Shaw since he
signed the check. I believe this is the discrepancy
regarding the failure to file the 48 hour notice for Ted
Shaw.
3. All loans made by the candidate through 6/30/92, totaling
\$123,500.00, were from his personal funds.

On 4/13/92 Voyager Aircraft Corporation took out a
\$100,000.00 line of credit with Mojave Bank. The
Candidate signed as a guarantor. Corporate assets were
secured by the line of credit. The first date of use was
on 5/18/92. The terms of the loan was until 11/11/92
It was a monthly only interest payment at the rate of 10
per annum.

Please contact me if you need any more information.

Page two
September 25, 1992
RE: Dick Rutan for America '92 Committee

The reason a C-1 was not filed out was because the candidate never borrowed the money but merely acted as a personal guarantor of the loan to Voyager Corporation.

The candidate had outstanding loans owed to him by Voyager and past due salary owed him. I believe the line of credit was established to secure payment of those sums to the candidate owed by Voyager Aircraft Inc.

Thank you for your anticipated cooperation and consideration.

Very truly yours, ✓


GREGORY T. AMIGIAN,
Attorney at Law

GTA:amw
cc: Dick Rutan
cc: Political Reform Division
Secretary of State

942094134364706

EXHIBIT B

52 OCT 20 PM 3:21

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PUBLIC NOTICE

LEGAL NOTICE

An Application To Organize a National Bank Has Been
Filed on the Date of This Publication with the
Comptroller of the Currency

We, the undersigned, intending to organize and operate a national bank, according to the provisions of the National Bank Act, as amended, submit an application to the Comptroller of the Currency for permission to organize a national bank, and propose as follows:

1. That the main office of the national bank be located at a suitable location in the downtown business district, in the community of Mojave, Kern County, California.
2. That the national bank will have the following title: Mojave Desert Bank, National Association.
3. That the total capitalization to be received by the national bank for shares issued by it will be allocated as follows:

Capital.....	\$1,000,000.-\$1,250,000.
Surplus.....	\$1,000,000.-\$1,250,000.
Total Capitalization.....	\$2,000,000.-\$2,500,000.
Number of shares to be authorized	300,000 - 375,000
Number of shares to be issued....	200,000 - 250,000
Par value per share.....	\$5.
Sale price per share.....	\$10.

4. That Dan J. Sabovich of 16541 Del Norte Drive, Mojave, California will act as sole and exclusive correspondent to represent and appear for the undersigned before the Comptroller of the Currency, and receive all correspondence and documents, with respect to this application. In witness whereof, the undersigned have signed this document on the date set forth above.

Burt Barnett	Whittier, CA
Glenn H. Barnett	California City, CA
Loren W. Burch	Cantil, CA
Gayna L. Flake	Lancaster, CA
Patricia V. Gorden	Fremont Valley, CA
Danny L. Hayes	Bakersfield, CA
Leighton B. Herron	Mojave, CA
Danny R. Jones	Mojave, CA
Richard R. Kieffe	Tehachapi, CA
Richard L. Ledwidge	Mojave, CA
James H. Quiggle	California City, CA
Michael B. Riccomini	Mojave, CA
Elbert L. Rutan	Mojave, CA
Richard G. Rutan	Mojave, CA
Dan J. Sabovich	Mojave, CA
Gisela Schulz	California City, CA

Any person desiring to comment on this application may do so by submitting written comments within 30 days of the date of the first publication of this notice to: Deputy Comptroller, Western District Office, San Francisco, California. The public file is available for inspection in the district office or Multinational Banking in Washington during regular business hours.

Dated: June 10, 1989

/s/ Dan J. Sabovich

Published in the Mojave Desert News
June 21, 1989

EXHIBIT C

94043562973

RICHARD GLENN RUFTAN

PARTS II and III—ASSETS AND “UNEARNED” INCOME

In BLOCK A report (a) the identity of each asset held during the preceding year and/or in the current year up to a date within 31 days of the filing date which had a fair market value exceeding \$1,000 as of the end of the period and (b) any other asset or source of income which generated \$200 or more in "unearned" income during the period. Exclude: Any personal liability owed to the reporting individual by a spouse, child, parent or sibling of the reporting individual or that person's spouse; any deposits aggregating \$5,000 or less in personal savings accounts; and, financial interests in or income derived from U.S. Government retirement programs.

In BLOCK B, indicate the category of value for each asset listed in Block A which had a fair market value exceeding \$1,000 as of a date within 31 days of the filing date, stated below. Specify any alternative valuation method.

In BLOCK C, indicate the type and category of value of any "unearned" income aggregating more than \$200 received during the current year to the filing date and, separately, the preceding calendar year, from assets and sources listed in Block A. For IRA's and retirement plans that are not self-directed, you may list only the value and indicate "NA" for income.

If you wish to indicate that an asset, income source, or income is that of your spouse or dependent child, so indicate in the column for that purpose on the far left. (This is optional.)

For further information, see Instructions, pages 12-14.

Information current as the following date: 5-21-92
(Must be within 31 days of filing date)

NONE ☐

BLOCK A Asset and/or Income Source			BLOCK B Valuation of Asset									BLOCK C Income																									
You may identify each asset and/or income source as yours, your spouse's (S), your dependent child's (DC), or jointly held (JT). This is optional.			Reporting Date Value (X)								Indicate if alternative valuation method (X). Attach explanation.	Type of Income (X)						Category of Amount of Income (X)																			
																		Current Year to Date						Preceding Year													
			A	B	C	D	E	F	G	H		DIVIDENDS	INTEREST	CAPITAL GAINS	EXERCISED TRUST	QUALIFIED BLIND TRUST	OTHER (SPECIFY)	I	II	III	IV	V	VI	VII	VIII	IX	I	II	III	IV	V	VI	VII	VIII	IX		
			None	Less than \$1,001	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	over \$1,000,000						None	Less than \$201	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	over \$1,000,000	None	Less than \$201	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	over \$1,000,000	
S, DC, JT	Example:	S ABC Corporation Stock			X								X						X											X							
		George Wash. Credit Union Accounts				X								X						X											X						
		182 Main Street, Dover, Delaware --					X							X							X										X						
		MOJAVE DESERT BANK, MOJAVE CALIFORNIA-Bank Account			X									X					X											X							
		BANK OF AMERICA, MOJAVE, CALIFORNIA -Bank Account		X										X					X											X							
		MONEX CREDIT COMPANY (Investment), Newport Beach, Cal.			X								X							X										X							
		foothill Ind. Bank Account, Cal.		X										X															X								

For additional assets and unearned income, use next page

Financial Disclosure B-2

2 4 0 4 3 5 6 2 9 7 6
EARNED INCOME

RICHARD GLENN RUTAN

Continuation Sheet (if needed)[illegible]

2 4 0 4 3 5 6 2 9 7 7

Reporting individual's name

RICHARD GLENN RUTAN

PART IV—LIABILITIES

Report liabilities over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to a spouse, child, parent, or sibling of the reporting individual or the reporting individual's spouse. For further information, see instructions, page 18.

NONE ☐

S, DC, JT	Creditor	Type of Liability	Category of Amount or Value (0)						
			B \$10,001 - \$25,000	C \$25,001 - \$50,000	D \$50,001 - \$100,000	E \$100,001 - \$250,000	F \$250,001 - \$500,000	G \$500,001 - \$1,000,000	H Over \$1,000,000
	Example: First Bank of Wilmington, Delaware	Mortgage on 100 Main Street, Dover, Del				X			
	MOJAVE DESERT BANK-Line of credit for Voyager Aircraft Inc., with a personal guarantee and pledge by Dick Rutan individually	Secured interest on 1984 Baron Aircraft			X				

PART V—POSITIONS

Report the identity of all positions, compensated or uncompensated, held on or before the date of filing during the current calendar year and in the two prior years as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. For further information, see instructions, page 22.

EXCLUSIONS: Positions held in any religious, social, fraternal, or political entities, and positions solely of an honorary nature need not be shown.

NONE ☐

Position	Name of Organization
Director	MOJAVE DESERT BANK
President	VOYAGER AIRCRAFT INC.

2 4 0 4 3 5 6 2 9 7 8

Reporting individual's Name

RICHARD GLENN RUTAN

PART VI—AGREEMENTS (FOR NEW EMPLOYEES ONLY, NOT CANDIDATES)

Identify the date, parties to, and terms of any agreement or arrangement with respect to: future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; or continuing participation in an employee welfare or benefit plan maintained by a former employer. For further information, see instructions, page 23.

NONE



Date	Parties To	Terms of Agreement

PART VII—COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE

Report sources of each compensation received by you or your business affiliation for services provided directly by you during the two prior years. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any non-profit organization when you directly provided the services generating a fee or payment of more than \$5,000. You need not report the U.S. Government as a source. For further information, see instructions, page 23.

NONE



Source (Name and Address)		Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Accounting services
	Metro University (client of Doe Jones & Smith), Moneytown, USA	Legal services in connection with university construction

PART VIII—ADDITIONAL INFORMATION AND CERTIFICATION

TRUSTS—Do you, your spouse or dependent child receive income from or have a beneficial interest in a trust or other financial arrangement whose holdings were not reported because the trust is a "Qualified Blind Trust" or other excepted trust? A Qualified Blind Trust is a trust which has been specifically approved by the Committee on Standards of Official Conduct. (See instructions, page 16.)

Yes ☐No ☒NA ☐

EXEMPTION TEST—Have you omitted any assets or liabilities of a spouse or dependent child because they meet the three tests for exemption? (See instructions, page 5.)

Yes ☐No ☒NA ☐

This Financial Disclosure Statement is required by the Ethics in Government Act of 1976, as amended (5 U.S.C. app. 5, § 101 et seq.). The Statement will be made available to any requesting person upon written application and will be reviewed by the Committee on Standards of Official Conduct. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions (See 5 U.S.C. app. 5 § 104 and 18 U.S.C. § 1001).

SIGNATURE OF REPORTING INDIVIDUAL

+ Richard Rutan

DATE (Month, Day, Year)

MAY 22, 1992

94043562979

EXHIBIT D

52 OCT 20 PM 3:21

RECEIVED
FBI
NOV 1 1979

DATE 2-11-88

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$1.00 THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT HAS
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER N 69300
AIRCRAFT MANUFACTURER & MODEL
Beechcraft Baron 58P
AIRCRAFT SERIAL No.
TJ-436

DOES THIS 5th DAY OF January 1988
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

NAME AND ADDRESS

(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND ADDRESS)

Voyager Aircraft, Inc.
Hangar 77 Airport
Mojave, CA 93501

PURCHASER

DEALER CERTIFICATE NUMBER

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF I HAVE SET MY HAND AND SEAL THIS 5th DAY OF Jan 1988

SELLER	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN)	TITLE (TYPED OR PRINTED)
	United Beechcraft, Inc.	<i>[Signature]</i>	Vice President & General Manager
		12:55 PM 1917	10.00 REG 0 255 A 01/13/88

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

AE FORM 3300-2 (3-78) (1001-000-0000)

FORM APPROVED
OMB No 2120-0009
EXP. DATE 10/31/84

0001391
1087.61

B3 JAN 25 '88

CONVEYANCE
RECORDED

JAN 25 8 08 PM '88

Do Not Write In This Block
FEDERAL AVIATION
ADMINISTRATION

ub

24043562980

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY

JAN 13 2 36 PM '88

OKLAHOMA CITY
OKLAHOMA

94043562961

OKLAHOMA CITY
OKLAHOMA
JAN 13 1988
AIRCRAFT REGISTRY
FILED WITH FAA
CONVEYANCE

FAA AIRCRAFT REGISTRY
CAMERA NO. 3N DATE: 2-11-88

94043562982

EXHIBIT E

0 : 1 9 8 3

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
FAA AIRCRAFT REGISTRY
P.O. Box 25504
Oklahoma City, Oklahoma 73125
AIRCRAFT SECURITY AGREEMENT

5-5
149394

NAME & ADDRESS OF DEBTOR/BORROWER: VOYAGER AIRCRAFT INC. Hanger 077, Mojave Airport Mojave, CA 93601	CONVEYANCE RECORDED JUN 3 12 13 PM '92 FEDERAL AVIATION ADMINISTRATION
NAME & ADDRESS OF SECURED PARTY/ASSIGNOR/LENDER: MOJAVE DESERT BANK N.A. 15772 K STREET 93601 P. O. BOX C MOJAVE, CA 93602	ABOVE SPACE FOR FAA USE ONLY
NAME OF SECURED PARTY'S ASSIGNEE/GRANTOR: VOYAGER AIRCRAFT INC. Hanger 077, Mojave Airport Mojave, CA 93601	

THIS AIRCRAFT SECURITY AGREEMENT is entered into between VOYAGER AIRCRAFT INC. (referred to below as "Grantor"); and MOJAVE DESERT BANK N.A. (referred to below as "Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a continuing security interest in the Collateral to secure the indebtedness and agree that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Aircraft Security Agreement, as this Aircraft Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Aircraft Security Agreement from time to time.

Aircraft. The word "Aircraft" means the following described aircraft:

1984 Beechcraft Baron 58P

The manufacturer's serial number for the aircraft is T-J-436, and its FAA Registration Number is N48300. The word "Aircraft" also means and includes without limitation, (a) the Airframe, (b) the Engines, and (c) any propellers.

Airframe. The word "Airframe" means the Aircraft's airframe, together with any and all parts, appliances, components, instruments, accessories, accessories, attachments, equipment, or avionics (including, without limitation, radio, radar, navigation systems, or other electronic equipment) installed in, appurtenant to, or delivered with or in respect of such airframe.

Collateral. The word "Collateral" means the following described property, whether now owned or hereafter acquired, whether now or hereafter existing, and wherever located:

- (a) The Aircraft.
- (b) The Engines and all avionics.
- (c) All log books, manuals, flight records, maintenance records, inspection reports, airworthiness certificates, ~~and all other historical information~~ information relating to the Aircraft.
- (d) All attachments, accessories, parts, and additions to and all replacements of and substitutions for any property described above.
- (e) All rents, accounts, contract rights, chattel paper, general intangibles, and monies, arising out of or related to use, rental, sale, or other disposition of any of the property described in this Collateral section.
- (f) All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described in this Collateral section.

Commercial Operations. The words "Commercial Operations" mean the carriage by aircraft in air commerce of persons or property for compensation or hire. Commercial Operations do not include carriage by aircraft in air commerce of Grantor's employees or invitees or Grantor's own property.

Encumbrance. The word "Encumbrance" means any and all security interests, mortgages, liens, privileges, and other contractual or statutory security interests or rights, of every nature and kind, that now or in the future may affect the Collateral or any part or parts of the Collateral.

Event of Default. The words "Event of Default" mean and include any of the Events of Default set forth below in the section titled "Events of Default."

Engines. The word "Engines" means any engines described above together with any other aircraft engines which either now or in the future are installed on, appurtenant to, or delivered with or in respect of the Airframe, together with any and all parts, appliances, components, accessories, accessories, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines. The word "Engines" shall also refer to any replacement aircraft engine which, under this Agreement, is required or permitted to be installed upon the Airframe.

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FAA. The abbreviation "FAA" means the United States Federal Aviation Administration, or any successor or replacement administration or governmental agency having the same or similar authority and responsibility.

Geneva Convention. The words "Geneva Convention" mean the Convention on the International Recognition of Rights in Aircraft made at Geneva, Switzerland on June 19, 1948, (effective September 17, 1953), together with the necessary enacting rules and regulations promulgated by any particular signatory country.

Grantor. The word "Grantor" means VOYAGER AIRCRAFT, INC., its successors and assigns.

Guarantor. The word "Guarantor" means and includes without limitation, each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

Indebtedness. The word "Indebtedness" means the Indebtedness evidenced by the Note, including all principal and interest, together with all other Indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. (Initial Here _____) In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, or any one or more of them, to Lender, as well as all claims by Lender against Grantor, or any one or more of them, whether existing now or later; whether they are voluntary or involuntary; due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations; and whether such Indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means MOJAVE DESERT BANK N.A., its successors and assigns.

Note. The word "Note" means the note or credit agreement dated May 11, 1992, in the principal amount of \$100,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the note or credit agreement. This Note has been delivered to Lender and accepted by Lender in the State of California.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

RIGHT OF SETOFF. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of Grantor's right, title and interest in and to Grantor's accounts with Lender (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts Grantor may open in the future, excluding however all IRA, Keogh, and trust accounts. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all Indebtedness against any and all such accounts.

DURATION. This Agreement shall remain in full force and effect until such time as the Indebtedness secured hereby, in principle, interest, costs, expenses, attorneys' fees and other fees and charges, shall have been paid in full, together with all additional sums that Lender may make on Grantor's behalf and interest thereon as provided herein.

REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL. Grantor represents, warrants and covenants to Lender all at times while this Agreement is in effect as follows:

Title. Grantor warrants that Grantor is the lawful owner of the Collateral and holds good and marketable title to the Collateral, free and clear of all Encumbrances except the lien of this Agreement. Grantor is, or concurrent with the completion of the transactions contemplated by this Agreement will be, the registered owner of the Aircraft pursuant to a proper registration under the Federal Aviation Act of 1958, as amended, and Grantor qualifies in all respects as a citizen of the United States as defined in the Act. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons. The Collateral is not and will not be registered under the laws of any foreign country and Grantor is and will remain a citizen of the United States as defined in the Federal Aviation Act of 1958, as amended.

Authority; Binding Effect. Grantor has the full right, power and authority to enter into this Agreement and to grant a security interest in the Collateral to Lender. This Agreement is binding upon Grantor as well as Grantor's heirs, successors, representatives and assigns, and is legally enforceable in accordance with its terms. The foregoing representations and warranties, and all other representations and warranties contained in this Agreement are and shall be continuing in nature and shall remain in full force and effect until such time as this Agreement is terminated or cancelled as provided above.

Aircraft and Log Books. Grantor will keep accurate and complete logs, manuals, books, and records relating to the Collateral, and provide Lender with copies of such reports and information relating to the Collateral as Lender may reasonably require from time to time.

Perfection of Security Interest. Grantor agrees to execute financing statements and to take all other actions requested by Lender to perfect and continue Lender's security interests in the Collateral. In particular, Grantor will perform, or will cause to be performed, upon the request of Lender, each and all of the following:

- Record, register and file this Agreement, together with such notices, financing statements or other documents or instruments as Lender may request from time to time to carry out fully the intent of this Agreement, with the FAA in Oklahoma City, Oklahoma, United States of America and other governmental agencies, either concurrent with the delivery and acceptance of the Aircraft or promptly after the execution and delivery of this Agreement.
- Furnish to Lender evidence of every such recording, registering, and filing.
- Execute and deliver or perform any and all acts and things which may be reasonably requested by Lender with respect to complying with or remaining subject to the Geneva Convention, the laws and regulations of the FAA, and the laws and regulation of any of the various states or countries in which the Aircraft is or may fly over, operate in, or become located in.

Grantor hereby appoints Lender as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interests granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender of any change in Grantor's name including any change to the assumed business names of Grantor. Grantor further agrees to notify Lender in writing prior to any change in address or location of Grantor's principal governance office.

Location and Inspection of Collateral. Grantor will hangar or keep the Collateral at its home airport or base location of Mojave Airport, CA. Except for routine use, Grantor shall not remove the Collateral from its existing location without the prior written consent of Lender. At any reasonable time, on demand by Lender, Grantor shall cause the Collateral (including the logs, books, manuals, and records comprising the Collateral) to be exhibited to Lender (or persons designated by Lender) for purposes of inspection and copying. Grantor shall, whenever requested, advise Lender of the exact location of the Aircraft.

Maintenance, Repair, Inspections, etc. Licensees. Grantor, at its expense, shall do, or cause to be done, in a timely manner with respect to the Collateral each and all of the following:

- (a) Grantor shall maintain and keep the Collateral in as good condition and repair as it is on the date of this Agreement, ordinary wear and tear excepted.
- (b) Grantor shall maintain and keep the Aircraft in good order and repair and in Airworthy condition in accordance with the requirements of each of the manufacturers' manuals and mandatory service bulletins and each of the manufacturers' non-mandatory service bulletins which relate to airworthiness.
- (c) Grantor shall replace in or on the Airframe, any and all Engines, parts, appliances, instruments or accessories which may be worn out, lost, destroyed or otherwise rendered unfit for use.
- (d) Grantor shall cause to be performed, on all parts of the Aircraft, all applicable mandatory Airworthiness Directives, Federal Aviation Regulations, Special Federal Aviation Regulations, and manufacturers' service bulletins relating to airworthiness, the compliance date of which shall occur while this Agreement is in effect.
- (e) Grantor shall be responsible for all required inspections of the Aircraft and licensing or re-licensing of the Aircraft in accordance with all applicable FAA and other governmental requirements. Borrower shall at all times cause the Aircraft to have on board and in a conspicuous location a current Certificate of Airworthiness issued by the FAA.
- (f) All inspections, maintenance, modifications, repairs, and overhauls of the Aircraft (including those performed on the Airframe, the Engines or any components, appliances, accessories, instruments, or equipment) shall be performed by personnel authorized by the FAA to perform such services.
- (g) If any Engine, component, appliance, accessory, instrument, equipment or part of the Aircraft shall reach such a condition as to require overhaul, repair or replacement, for any cause whatever, in order to comply with the standards for maintenance and other provisions set forth in this Agreement, Grantor may:
- (i) Install on or in the Aircraft such items of substantially the same type in temporary replacement of those then installed on the Aircraft, pending overhaul or repair of the unsatisfactory item; provided, however, that such replacement items must be in such a condition as to be permissible for use upon the Aircraft in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor at all times must retain unencumbered title to any and all items temporarily removed; or
 - (ii) Install on or in the Aircraft such items of substantially the same type and value in permanent replacement of those then installed on the Aircraft; provided, however, that such replacement items must be in such condition as to be permissible for use upon the Aircraft in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor must first comply with each of the requirements of subsection (h) below.
- (h) In the event Grantor shall be required or permitted to install upon the Airframe or any Engine, components, appliances, accessories, instruments, engines, equipment or parts in permanent replacement of those then installed on the Airframe or such Engine, Grantor may do so provided that, in addition to any other requirements of this Agreement:
- (i) Lender is not divested of its security interest in and lien upon any item removed from the Aircraft and that no such removed item shall be or become subject to the lien or claim of any person, unless and until such item is replaced by an item of the type and condition required by this Agreement, title to which, upon its being installed or attached to the Airframe, is validly vested in Grantor, free and clear of all liens and claims, of every kind or nature, of all persons other than Lender;
 - (ii) Grantor's title to every substituted item shall immediately be and become subject to the security interests and liens of Lender and each of the provisions of this Agreement, and each such item shall remain so encumbered and so subject unless it is, in turn, replaced by a substitute item in the manner permitted in this Agreement; and
 - (iii) If an item is removed from the Aircraft and replaced in accordance with the requirements of the Agreement, and if the substituted item satisfies the requirements of this Agreement, including the terms and conditions of subsections (h)(1) and (h)(2) above, then the item which is removed shall thereupon be free and clear of the security interests and liens of Lender.
- (i) In the event that any Engine, component, appliance, accessory, instrument, equipment or part is installed upon the Airframe, and is not in substitution for or in replacement of an existing item, such additional item shall be considered as an accession to the Airframe.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon the sale, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond, or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Compliance With Governmental Requirements. Grantor shall comply promptly with all laws, ordinances and regulations of the FAA and all other governmental authorities applicable to the use, operation, maintenance, overhauling or condition of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized. Without limiting the foregoing, Grantor agrees that at no time during the effectiveness of this Agreement shall the Aircraft be operated in, located in, or relocated to, any jurisdiction, unless the Geneva Convention, together with its necessary enacting rules and regulations (or some comparable treaty and regulations satisfactory to Lender) shall be in effect in such jurisdiction and any notices, financing statements, documents, or instruments necessary or required, in the opinion of Lender, to be filed in such jurisdiction shall have been filed and file stamped copies thereof shall have been furnished to Lender. Notwithstanding the foregoing, at no time shall the Aircraft be operated in or over any area which may expose Lender to any penalty, fine, sanction or other liability, whether civil or criminal, under any applicable law, rule, treaty or convention; nor may the Aircraft be used in any manner which is or may be declared to be illegal and which may thereby render the Collateral liable to confiscation, seizure, detention or destruction.

Maintenance or Casualty Insurance. Grantor shall procure and maintain at all times all risks insurance on the Collateral, including without limitation fire, theft, liability and hull insurance, and such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor shall further provide and maintain, at its sole cost and expense, comprehensive public liability insurance, naming both Grantor and Lender as parties insured, protecting against claims for bodily injury, death and/or property damage arising out of the use, ownership, possession, operation and condition of the Aircraft, and further containing a broad form contractual liability endorsement covering Grantor's obligations to indemnify Lender as provided under this Agreement. Such policies of insurance must also contain a provision prohibiting cancellation or the alteration of such insurance without at least ten (10) days' prior written notice to Lender of such intended cancellation or alteration. Grantor agrees to provide Lender with originals or certified copies of such policies of insurance. Grantor, upon request of Lender, will deliver to Lender from time to time the

policies or certificates of insurance in form satisfactory to Lender, in connection with all policies covering assets in which Lender holds or is offered a security interest for the indebtedness, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. Grantor shall not use or permit the Collateral to be used in any manner or for any purpose excepted from or contrary to the requirements of any insurance policy or policies required to be carried and maintained under this Agreement or for any purpose excepted or exempted from or contrary to the insurance policies, nor shall Grantor do any other act or permit anything to be done which could reasonably be expected to invalidate or limit any such insurance policy or policies.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral in excess of \$5,000, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Lender shall have the right to receive directly the proceeds of any insurance on the Collateral, including accrued proceeds thereon, and to hold the proceeds as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. Subject to applicable laws, the reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Grantor shall upon request (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Indemnification. Grantor shall indemnify and hold Lender harmless from and against all liabilities, claims and demands whatsoever arising from any cause, including the doctrine of strict liability, in connection with this Agreement or Lender's rights in the Collateral or in the use, sale, operation or possession of the Collateral.

Prior Encumbrances. To the extent applicable, Grantor shall fully and timely perform any and all of its obligations under any prior Encumbrances affecting the Collateral. Without limiting the foregoing, Grantor shall not commit or permit to exist any breach of or default under any such prior Encumbrances. Grantor shall further promptly notify Lender in writing upon the occurrence of any event or circumstances that would, or that might, result in a breach of or default under any such prior Encumbrance. Grantor shall further not modify or extend any of the terms of any prior Encumbrance or any indebtedness secured thereby, or request or obtain any additional loans or other extensions of credit from any third party creditor or creditors whenever such additional loan advances or other extensions of credit may be directly or indirectly secured, whether by cross-collateralization or otherwise, by the Collateral, or any part or parts thereof, with possible preference and priority over the lien of this Agreement.

Notice of Encumbrances and Events of Default. Grantor shall immediately notify Lender in writing upon the filing of any attachment, lien, judicial process, or claim relating to the Collateral. Grantor additionally agrees to immediately notify Lender in writing upon the occurrence of any Event of Default, or event that with the passage of time, failure to cure, or giving of notice, may result in an Event of Default under any of Grantor's obligations that may be secured by any presently existing or future Encumbrance, or that may result in an Encumbrance affecting the Collateral, or should the Collateral be seized or attached or levied upon, or threatened by seizure or attachment or levy, by any person other than Lender.

PROHIBITIONS REGARDING COLLATERAL. Grantor represents, warrants and covenants to Lender while this Agreement remains in effect as follows:

Transactions Involving Collateral. Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender, and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

No Commercial Use. Grantor shall not, without the prior written consent of Lender, use the Collateral, or permit the Collateral to be used, in Commercial Operations.

No Removal of Parts. Except as permitted or required in the section of this Agreement titled "Maintenance, Repairs, Inspections, and Licenses," Grantor shall not remove or permit the removal of any parts, engines, accessories, avionics or equipment from the Aircraft without replacing the same with comparable parts, engines, accessories, avionics and equipment acceptable to Lender and the Aircraft's manufacturer and insurer.

Future Encumbrances. Grantor shall not, without the prior written consent of Lender, grant any Encumbrance that may affect the Collateral, or any part or parts thereof, nor shall Grantor permit or consent to any Encumbrance attaching to or being filed against the Collateral, or any part or parts thereof, in favor of anyone other than Lender. Grantor shall further promptly pay when due all statements and charges of airport authorities, mechanics, laborers, maintenance men, suppliers and others incurred in connection with the use, operation, storage, maintenance and repair of the Aircraft so that no Encumbrance may attach to or be filed against the Aircraft or other Collateral. Grantor additionally agrees to obtain, upon request by Lender, and in form and substance as may then be satisfactory to Lender, appropriate waivers and/or subordinations of any Encumbrances that may affect the Collateral at any time.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor shall have the possession and beneficial use of the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be

treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Default on Indebtedness. Failure of Grantor to make any payment when due on the Indebtedness.

Other Defaults. Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Lender and Grantor.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor Proceedings. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor proceeding and if Grantor gives Lender written notice of the creditor proceeding and deposits with Lender monies or a surety bond for the creditor proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent.

Insecurity. Lender, in good faith, deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days, or such lesser time as required by state law, before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of relaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of California. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of _____ County, State of California. (Initial Here _____) Lender and Grantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Grantor against the other. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Multiple Parties; Corporate Authority. All obligations of Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Agreement. Where any one or more of the parties are corporations or partnerships, it is not necessary for Lender to inquire into the powers of any of the

CONVEYANCE (Continued)

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parties or of the officers, directors, partners, or agents acting or purporting to act on their behalf.

Notices. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address(es).

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Successor Interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AIRCRAFT SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MAY 11, 1992.

GRANTOR:

VOYAGER AIRCRAFT INC.

By:

Joan Richery
Joan Richery, Secretary

24043562938

EXHIBIT F

94043562989

BURT BARNETT

A LAW CORPORATION

October 14, 1992

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Facsimile (310) 929-6682

Hon. George Brown, Jr.
657 North La Cadena Dr.
Colton, CA 92324

Dear Congressman Brown:

I am advised that persons staffing your re-election campaign phone bank are alleging that a bank has made an "illegal" loan to your opponent, Dick Rutan. I am also advised that your re-election campaign is alleging that the bank which made the "illegal" loan is a "failing financial institution."

This office represents Mojave Desert Bank.

Mojave Desert Bank is a successful new bank highly regarded by the Office of the Comptroller of the Currency. Mojave Desert Bank has never made an illegal loan. Mojave Desert Bank has made an entirely legal, fully secured loan to Dick Rutan to assist him in his campaign for Congress. The bank would have made the same loan to you if you, like Dick Rutan, were relying upon your own funds to support your campaign and if you, like Dick Rutan, could provide adequate security for the loan.

Dick Rutan's relationship with Mojave Desert Bank is well known in the bank's market area. Mojave Desert Bank's customers, both present and potential, will know full well what bank your campaign is referring to when the scurrilous allegations concerning Dick Rutan's loan are published.

This letter puts you on notice (1) that all persons provided false information concerning Mojave Desert Bank must be contacted immediately and the false information retracted, and (2) no further publication of false information concerning Mojave Desert Bank is to be accomplished.

Should your re-election campaign fail or refuse to comply with the conditions set forth in this letter, Mojave Desert Bank will undertake all appropriate remedial actions available under the law against you personally, and against all those connected with your campaign who engage in libelous or slanderous conduct against Mojave Desert Bank.

Very truly yours,

BURT BARNETT
A Law Corporation

Burt Barnett
BURT BARNETT

BB:nc

cc: Don Stowell
President, Mojave Desert Bank



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1992

Judith Corley
Perkins Coie
607 Fourteenth Street, NW
Washington, DC 20005-2011

RE: MUR 3663

Dear Ms. Corley:

This letter acknowledges receipt on October 20, 1992, of your complaint on behalf of the Democratic Congressional Campaign Committee, alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Dick Rutan, Dick Rutan for America - '92 Committee, and Gregory T. Annigian, as treasurer, Voyager Aircraft, Inc. and the Mojave Desert Bank, N.A. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3663. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jonathan A. Bernstein".

Jonathan A. Bernstein
Assistant General Counsel

Enclosure
Procedures

24043562991



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1992

Dick Rutan
10935 Terra Vista Parkway
Apt #146
Rancho Cucamonga, CA 91730

RE: MUR 3663

Dear Mr. Rutan:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3663. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

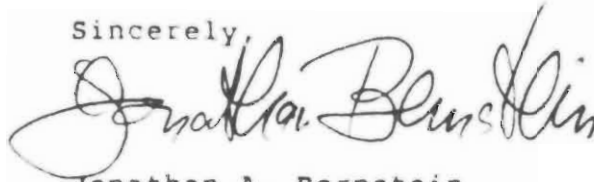
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

24043562992

Dick Rutan
Page 2

If you have any questions, please contact Richard M. Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562993



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1992

Dick Rutan for America -'92 Committee
Gregory T. Annigian, treasurer
P.O. Box 746
Rancho Cucamonga, CA 91729

RE: MUR 3663

Dear Mr. Annigian:

The Federal Election Commission received a complaint which indicates that the Dick Rutan for America -'92 Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3663. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

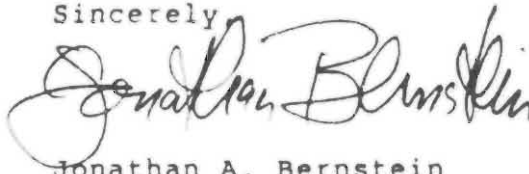
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

24043562994

Dick Rutan for America - '92 Committee
Gregory T. Annigian, treasurer
Page 2

If you have any questions, please contact Richard M. Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562995



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1992

Dick Rutan, President
Voyager Aircraft, Inc.
Hanger #77, Mojave Airport
Mojave, CA 93601

RE: MUR 3663

Dear Mr. Rutan:

The Federal Election Commission received a complaint which indicates that Voyager Aircraft, Inc. ("Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3663. Please refer to this number in all future correspondence.

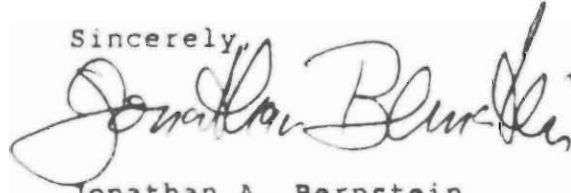
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

Dick Rutan, President
Voyager Aircraft, Inc.
Page 2

If you have any questions, please contact Richard M. Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562997



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1992

President
Mojave Desert Bank, N.A.
15772 K Street
P.O. Box C
Mojave, CA 93602

RE: MUR 3663

Dear Sir:

The Federal Election Commission received a complaint which indicates that the Mojave Desert Bank, N.A. ("Bank") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3663. Please refer to this number in all future correspondence.

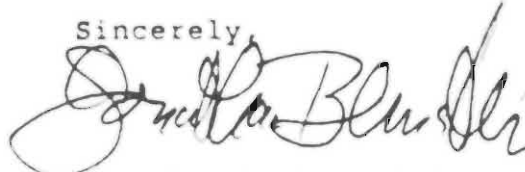
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Bank in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

President
Mojave Desert Bank, N.A.
Page 2

If you have any questions, please contact Richard M. Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein
Assistant General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

2404356299

LAW OFFICES

HORGAN, ROSEN, BECKHAM & COREN

S. ALAN ROSEN*
ROBERT P. BECKHAM
ARTHUR A. COREN
GARY M. HORGAN
DONALD P. JOHNSON
ALAN M. MIRMAN
MURRAY FALK
STEVEN A. SCHWABER
LAUREN ROSS
DENISE A. MACRAE
STEVEN M. BERLINER

*A LAW CORPORATION

SUITE 2000
3900 WEST ALAMEDA
TOLUCA LAKE, CALIFORNIA 91505
(310) 552-2010 (818) 955-7300
FAX (818) 955-7330

November 5, 1992

SAN DIEGO
NINTH FLOOR
225 BROADWAY
SAN DIEGO, CALIFORNIA 92101
(619) 295-3160
ALBIN C. KOCH
OF COUNSEL

VIA FACSIMILE AND U.S. MAIL

Ms. Helen Kim
Staff Attorney
Office of General Counsel
Federal Election Commission
999 E. Street N.W.
Washington, D.C. 20463

Re: MUR #3663

Dear Ms. Kim:

As we discussed this morning by telephone, this office represents Mojave Desert Bank in connection with their response to the above-referenced complaint.

Based on the fact that the Bank received the Commission's letter on October 27, 1992, their written response is due in your office on November 11, 1992. Due to the fact that Mr. Alan Rosen, the Partner in charge of this matter, is currently out of town, as well as the fact that our office is in the Los Angeles area and the Bank's office is in Mojave, we do not believe that we can deliver an adequate written response to you by November 11, 1992. We therefore hereby request a one week extension to respond to the complaint. Our answer would be due on November 18, 1992.

Please call the undersigned regarding your approval of this request. Thank you for your consideration and reply.

Very truly yours,

HORGAN, ROSEN, BECKHAM & COREN

Lauren Ross
LAUREN ROSS

LR/sp
cc: Mojave Desert Bank
S. Alan Rosen

0495.sp

92 NOV - 9 PM 3:26

24043563000

Nov 9 10 43 AM '92



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 10, 1992

Lauren Ross
Horgan, Rosen, Beckham & Coren
Suite 2000
3900 West Alameda
Toluca Lake, California 91505

RE: MUR 3663
Mojave Desert Bank

Dear Ms. Ross:

This is in response to your letter via facsimile dated November 5, 1992, which we received on November 6, 1992, requesting an extension until November 18, 1992 to respond to the complaint in the above captioned matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on November 18, 1992.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

A handwritten signature in black ink, appearing to read "Helen J. Kim", is written over a horizontal line.

Helen J. Kim
Attorney

2404356301

DICK RUTAN
★ ★ ★ For America

November 9, 1992

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN COPY ROOM
NOV 15 9 35 AM '92

RE: MUR 3663

Dear Mr. Bernstein,

This is in response to the complaint received from Judith L. Corley of Perkins Corie.

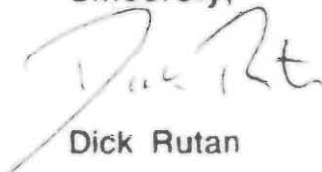
The complaint was regarding loans I made to my campaign in my recent run for US Congress. Although the airplane used to secure the loan is registered at the FAA in the name of Voyager Aircraft, Inc. (a corporation I am 100% owner of, see attached stock certificates, Exhibit A), it is my personal aircraft, transferred to me by the corporation in March of 1989 in lieu of money I had personally loaned my corporation (see corporate minutes dated March 2, 1989 and attached as Exhibit B).

Also, I am indeed a director of the Mojave Desert Bank and it is true I received my loan from that institution. I was not offered "special" or preferential treatment as alleged. I attach the press release from the Mojave Desert Bank regarding loan policies to bank directors as Exhibit C.

As you may know, I was unsuccessful in my bid for US Congress and have returned to my business office in Mojave, CA.

Should you have further questions, please use the address below.
The election headquarters has been closed down and all further
campaign tasks, reports, etc. will be handled through my Mojave
office.

Sincerely,



Dick Rutan

Dick Rutan
% Voyager Aircraft, Inc.
Mojave Airport Hangar 77
1260 Flight Line
Mojave, CA 93501

(805) 824-4608 phone
(805) 824-9575 fax

24743563003

9210715 11 2:30

EXHIBIT A

INCLUDES:

- Copies of only stock certificates issued.
- Copy of resignation of Jeana Yeager (who owned 50% of VAI stock until February 1989)

February 26, 1989

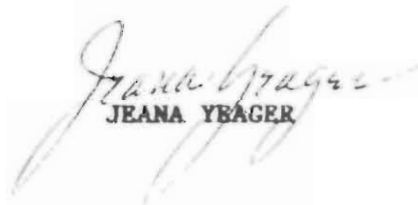
Voyager Aircraft, Inc.
Hangar 77
Mojave, CA 93501

RE: Letter of Resignation

To the Board of Directors:

I, JEANA LEE YEAGER a member of the Board of Directors holding the offices of Vice President / Treasurer / Secretary for Voyager Aircraft, Inc. starting March 3, 1981, and 50% shareholder of Voyager Aircraft Inc. submit this letter of resignation.

Sincerely,


JEANA YEAGER

24043563005

24043563006

Mar. 5, 1981

Incorporated under the laws



of the State of California



VOYAGER AIRCRAFT, INC.

Authorized: 100,000 Common Shares

IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

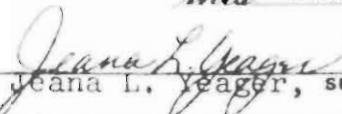
EACH SHARE HOLDER OR SUBSCRIBER TO SHARES OF THIS CORPORATION SHALL BE ENTITLED TO FULL PRE-EMPTIVE OR PREFERENTIAL RIGHTS TO PURCHASE AND/OR SUBSCRIBE FOR HIS PROPORTIONATE PART OF ANY SHARES WHICH MAY BE ISSUED AT ANY TIME BY THIS CORPORATION.

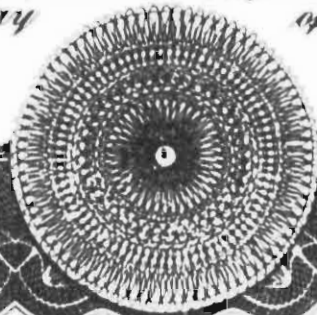
This Certifies that

RICHARD G. RUTAN is the
registered holder of Seven Thousand Seven Hundred Eighty-Seven ----- Shares
VOYAGER AIRCRAFT, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 24th day of April, A.D. 1981


Jeana L. Yeager, SECRETARY




Richard G. Rutan, PRESIDENT

24043563007
Mar. 5, 1981

Incorporated under the laws



of the State of California



VOYAGER AIRCRAFT, INC.

Authorized: 100,000 Common Shares

IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

EACH SHARE HOLDER OR SUBSCRIBER TO SHARES OF THIS CORPORATION SHALL BE ENTITLED TO FULL PRE-EMPTIVE OR PREFERENTIAL RIGHTS TO PURCHASE AND/OR SUBSCRIBE FOR HIS PROPORTIONATE PART OF ANY SHARES WHICH MAY BE ISSUED AT ANY TIME BY THIS CORPORATION.

This Certifies that

JEANA L. YEAGER

is the

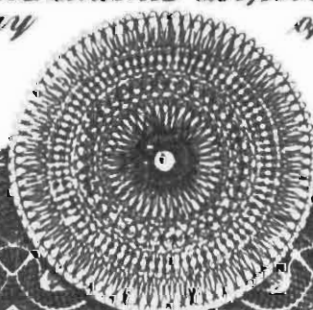
registered holder of Seven Thousand Seven Hundred Eighty-Seven ---- Shares
VOYAGER AIRCRAFT, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 24th day of April A.D. 1981

Jeana L. Yeager
Jeana L. Yeager, SECRETARY

Richard G. Rutan
Richard G. Rutan, PRESIDENT



FOR VALUE RECEIVED I HEREBY SELL, ASSIGN AND TRANSFER UNTO

Richard G. Rutan

seven (7,787)

Seven Thousand Seven Hundred Eighty- / SHARES REPRESENTED
BY THE WITHIN CERTIFICATE AND DO HEREBY IRREVOCABLY CONSTITUTE AND

APPOINT _____ ATTORNEY
TO TRANSFER THE SAID SHARES ON THE SHARE REGISTER OF THE WITHIN NAMED
CORPORATION, WITH FULL POWER OF SUBSTITUTION IN THE PREMISES.

DATED December 31 19 87

IN PRESENCE OF _____

Jeana Yeager
Jeana Yeager

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST COR-
RESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE
CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION
OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

24043563008

94043563009

EXHIBIT B

INCLUDES:

- Copy of minutes of March 2, 1989 board meeting. See relevant information on page 3, paragraph 9, highlighted in orange.

CORPORATE BOARD MEETING - VOYAGER AIRCRAFT INC.

MARCH 2, 1989

Present: Richard G. "Dick" Rutan
George Rutan
Joan Richey

Meeting called to order at 11:02 am by Dick Rutan, President/CEO.

Copy of resignation by Jeana Lee Yeager was accepted by Dick Rutan.

NEW BUSINESS

24043563010

24043563011

Loans made by Dick to VAI were discussed. During 1988, Dick put money into the corporation, but at the close of the year, corporation couldn't repay debt, so Dick recieved Baron, hangar 39 and other assets as repayment. Now, because of the transfer of goods, Dick is almost paid in full. The remainder is being paid by the corporation at the interest rate of 10% annually on monies still owed to Dick.

24043563012

EXHIBIT C

INCLUDES:

- Press release from Mojave Desert Bank



October 29, 1992
FOR IMMEDIATE RELEASE

For Additional Information:
Don Stowell
(805) 824-2200

PRESS RELEASE

Mojave Desert Bank Responds to Allegations of Improper Loan

Mr. Don Stowell, President of Mojave Desert Bank, N.A., today said, "a loan made by Mojave Desert Bank to one of its directors, Dick Rutan, currently a Congressional candidate, and his wholly owned corporation, Voyager Aircraft, Inc., was in full compliance with federal banking rules and regulations applicable to loans to bank executive officers and directors." Responding to an allegation that the Bank made an improper loan, Mr. Stowell stated, "Mojave Desert Bank's loan was made on substantially the same terms, including interest rate, collateral requirements, and credit evaluation procedures, as are applied to all loans made to other equally qualified borrowers, and is in compliance with federal banking law." Mr. Stowell further noted that there are explicit federal banking rules regarding loans to bank directors and their interests, to ensure that loans such as the one to Dick Rutan are made on substantially the same terms as loans made to other borrowers and are not preferential.

240.43563013

LAW OFFICES

HORGAN, ROSEN, BECKHAM & COREN

SUITE 2000

3900 WEST ALAMEDA

TOLUCA LAKE, CALIFORNIA 91505

(310) 552-2010 (818) 955-7300

FAX (818) 955-7330

S. ALAN ROSEN*
ROBERT P. BECKHAM
ARTHUR A. COREN
GARY M. HORGAN
DONALD P. JOHNSON
ALAN M. MIRMAN
MURRAY FALK
STEVEN A. SCHWABER
LAUREN ROSS
DENISE A. MACRAE
STEVEN M. BERLINER

*A LAW CORPORATION

921
3:34
SAN DIEGO
NINTH FLOOR
225 BROADWAY
SAN DIEGO, CALIFORNIA 92101
(619) 295-3180
ALBIN C. KOCH
OF COUNSEL

November 13, 1992

VIA FEDERAL EXPRESS

Ms. Helen Kim
Staff Attorney
Office of General Counsel
Federal Election Commission
999 E. Street N.W.
Washington, D.C. 20463

Re: MUR 3663

Dear Ms. Kim:

This office represents Mojave Desert Bank (the "Bank") in connection with the complaint filed by the Democratic Congressional Campaign Committee regarding alleged reporting violations by Dick Rutan and his principal campaign committee, Dick Rutan for American '92 Committee.

The evidence submitted with this written response shows conclusively that the Bank made a legal loan in the form of a line of credit to Voyager, Inc., which was guaranteed by Dick Rutan, in accordance with all applicable banking laws and regulations and in the ordinary course of the Bank's business. The loan was therefore not in violation of the Federal Election laws. (See 11 C.F.R. Section 100.7(b)(11).)

FACTUAL SUMMARY

Mr. Richard D. ("Dick") Rutan is currently a director of the Bank and has been a director since the Bank's formation in August 1991. Voyager Aircraft, Inc. ("VAI") is a corporation wholly-owned by Mr. Rutan. In May 1992, VAI applied for a loan from the Bank in the amount of \$100,000.00 (the "VAI Loan"), to be personally guaranteed by Mr. Rutan. The VAI Loan request was for a term of six months, at an interest rate of 10%, and was to be secured by a 1984 Beechcraft Baron BE-58P aircraft owned by VAI. After review by the Board of Directors of the Bank, the VAI Loan was approved. The Bank's lien on the aircraft was perfected by a conveyance recorded with the FAA on June 3, 1992. Copies of the Promissory Note, Commercial Guaranty, and Aircraft Security

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIN COPY ROOM
NOV 16 9 33 AM '92

24043563014

Federal Election Commission
Ms. Helen Kim
Page Two
November 13, 1992

Agreement are enclosed.

The Bank's security position in the collateral was a first priority lien, and the value of the collateral, according to generally accepted sources, was 3.8 times the amount of the loan. This collateral to loan ratio was well in excess of other, similar loans made by the Bank.

LEGAL ANALYSIS

Although the Federal Elections Campaign Act of 1971 (the "Act") (2 U.S.C. Section 431 et seq.) prohibits a national bank from making a contribution or expenditure in connection with federal elections, there is a clear and specific exception for "a loan of money by a national or state bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business." (2 U.S.C. § 441b.(b)(2).) That statutory exception is reiterated in the regulations implementing the Act at 11 CFR Section 100.7(b)(11). That Section provides, in relevant part, as follows:

(11) A loan of money by a state bank, a federally chartered institution (including a national bank)... is not a contribution by the lending institution if such loan is made in accordance with applicable banking laws and regulations and is made in the ordinary course of business. A loan will be deemed to be made in the ordinary course of business if it: bears the usual and customary interest rate of the lending institution for the category of loan involved; is made on a basis which assures repayment; is evidenced by a written agreement; and is subject to a due date or amortization schedule....

(i) A loan, including a line of credit, shall be considered made on a basis which assures repayment if it is obtained using either of the sources of repayment described in paragraphs (b)(11) (i) (A) or (B) of this section, or a combination of paragraphs (b)(11) (i) (A) and (B) of this section:

(A)(1) The lending institution making the loan has perfected a security interest in collateral owned by the candidate or political committee receiving the loan, the fair market value of the collateral is equal to or greater than the Federal Election Commission loan amount and any senior liens as determined on the date of the loan and the

Federal Election Committee
Ms. Helen Kim
Page Three
November 13, 1992

candidate or political committee provides documentation to show that the lending institution has a perfected security interest in the collateral. Sources of collateral include, but are not limited to, ownership in real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable and cash on deposit.

As attested to in the supporting declaration of Mr. Franklin D. Stowell submitted in connection with this response, the VAI Loan was made in the ordinary course of the Bank's business. The interest rate, credit evaluation, repayment schedule and documentation of the VAI Loan were substantially the same as other loans made by the Bank.

Furthermore, the VAI Loan was made in accordance with applicable banking laws and regulations. Since the VAI Loan was to a corporation controlled by Mr. Rutan, a director of the Bank, the VAI Loan was required to meet the standards imposed by 12 C.F.R. Part 215, the Federal Reserve Board's Regulation O. Regulation O applies to bank loans to directors or their related interests and requires that such loans be made on substantially the same terms as loans to non-directors, including interest rates and collateral, and following credit underwriting procedures that are not less stringent than those prevailing at the time for comparable transactions with persons not covered by Regulation O. The VAI Loan complied with the Regulation O requirements. Clearly the VAI Loan was in compliance with both federal banking laws and federal election laws.

We are not unmindful of the comments by attorney Barnett that the loan was made directly to Mr. Rutan to assist his campaign. Please understand that Mr. Barnett's letter was drafted in the "heat of battle" to respond to the improper accusations being publicized that the Bank had acted illegally, was intended to forestall further negative publicity for the Bank, and, unfortunately, did not represent a thorough analysis of the underlying loan transaction as described in the enclosed declaration of Mr. Stowell and supporting documents.

24043563017
Federal Election Commission
Ms. Helen Kim
Page Four
November 13, 1992

CONCLUSION

Based on the foregoing analysis and the documents and declaration enclosed, Mojave Desert Bank has established through substantial evidence that there has been no violation by the Bank of the Federal Elections Campaign Act or the regulations enforcing the Act, and that therefore no action should be taken against the Bank.

Very truly yours,

HORGAN, ROSEN, BECKHAM & COREN


LAUREN ROSS

LR/sp
cc: Mojave Desert Bank
0495.sp

1 DECLARATION OF FRANKLIN D. STOWELL
2 IN RESPONSE TO COMPLAINT NUMBER MUR 3663
3 FILED WITH FEDERAL ELECTION COMMISSION
4

5 I, Franklin D. Stowell, declare as follows:
6

7 1. I am the President of Mojave Desert Bank, N.A. (the
8 "Bank"), and have been so employed since the Bank's formation on
9 August 2, 1991.
10

11 2. The matters stated herein are based on my personal
12 knowledge and if called upon I could and would testify
13 competently thereto.
14

15 3. Mr. Richard "Dick" Rutan is currently a director of the
16 Bank and has been a director since the Bank's formation in 1991.
17
18

19 4. On or about April 13, 1992, the Bank was presented with
20 a loan request by Voyager Aircraft, Inc. ("VAI"), which is
21 wholly-owned by Mr. Richard Rutan. The request was for a
22 \$100,000.00 line of credit to be secured by a 1984 Beechcraft
23 Baron BE-58P aircraft owned by VAI, for a term of six months at
24 10% interest.
25

26 5. Since VAI was wholly-owned by Mr. Rutan, and since the
27 VAI loan was to be guaranteed by him, the Bank was legally
28

1 required to be certain that the loan complied with the
2 requirements of Regulation 0 as that applies to loans to bank
3 directors.
4

5 6. Whenever a director loan request is submitted to the
6 Bank, it is presented to and voted on by the Board of Directors,
7 not just the Loan Committee, in order to assure compliance with
8 Regulation 0.
9

10 7. On April 13, 1992, the Board of Directors met and
11 reviewed the VAI loan request. As is ordinary when the Bank
12 reviews requests for director loans, Mr. Rutan was excused from
13 the room during the presentation, discussion and subsequent vote
14 regarding the loan request. The loan request met all of the
15 requirements of Regulation 0 in that it was to be made under
16 similar terms and at a similar rate of interest as other
17 comparable loans being made by the Bank at the time. The loan
18 request also met all other applicable banking laws and
19 regulations.
20

21 8. In its review of the loan request, the Board of
22 Directors examined information regarding the collateral that was
23 to secure the loan. The collateral, a 1984 Beechcraft Baron BE-
24 58P Model #TJ 436, was valued at \$383,000.00 by the Spring 1990
25 Aircraft Bluebook Price Digest, which is a generally accepted
26 reference for the value of aircraft. The Bank was to perfect a
27 first priority lien in the aircraft to collateralize the VAI
28

1 loan, and would thereby acquire collateral with a market value of
2 approximately 3.8 times the loan amount.

3
4 9. After carefully reviewing the loan request and
5 determining that it fully complied with Regulation O, the Board
6 approved the loan on the terms described in Paragraph 4 herein.

7
8 10. The loan to VAI was made in the ordinary course of the
9 Bank's business. It was made at the usual and customary interest
10 rate for similar loans, was evidenced by standard loan documents
11 used by the Bank in its lending business, was made on a basis
12 that assures repayment, and was collateralized by an asset valued
13 at almost four times the amount of the loan.

14
15 11. The loan to VAI was not intended to be a contribution
16 to or expenditure in support of Mr. Rutan's campaign. The Bank
17 fully expects the loan to be repaid according to its terms.

18
19 12. Attached hereto are true and correct copies of the
20 Promissory Note evidencing the VAI loan, the Commercial Guaranty
21 signed by Mr. Rutan, and the Aircraft Security Agreement. The
22 Aircraft Security Agreement was recorded with the Federal

23 ///

24 ///

25 ///

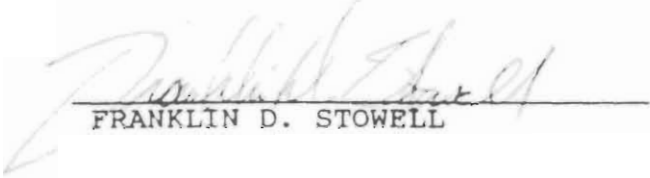
26 ///

27 ///

1 Aviation Administration on June 3, 1992, thereby perfecting the
2 Bank's lien.

3
4 I declare under penalty of perjury under the Laws of the
5 State of California that the foregoing is true and correct.

6
7 Executed this 10 day of November, 1992 at Mojave,
8 California.

9 
FRANKLIN D. STOWELL

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12 0495.sp
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PROMISSORY NOTE

PAID

SEP 20 1992

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
\$100,000.00	05-11-1992	11-11-1992	041-200011	416	416	041-000092	don	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: VOYAGER AIRCRAFT INC. (TIN: 953587077)
 Hanger #77, Mojave Airport
 Mojave, CA 93501

Lender: MOJAVE DESERT BANK N.A.
 15772 K STREET 93501
 P. O. BOX C
 MOJAVE, CA 93502

Principal Amount: \$100,000.00

Interest Rate: 10.000%

Date of Note: May 11, 1992

PROMISE TO PAY. VOYAGER AIRCRAFT INC. ("Borrower") promises to pay to MOJAVE DESERT BANK N.A. ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Thousand & 00/100 Dollars (\$100,000.00) or so much as may be outstanding, together with interest at the rate of 10.000% per annum on each of the unpaid outstanding principal balances from until repayment of the advance or maturity, whichever occurs first.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on November 11, 1992. In addition, Borrower will pay regular monthly payments of accrued unpaid interest beginning June 11, 1992, and all subsequent interest payments are due on the same day of each month after that. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year, times the outstanding principal balance, times the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due and may result in Borrower's making fewer payments.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

DEFAULT. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to perform promptly at the time and strictly in the manner provided in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect. (d) Borrower becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (e) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (f) Any of the events described in this default section occurs with respect to any guarantor of this Note. (g) Lender in good faith deems itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon Borrower's failure to pay all amounts declared due pursuant to this section, including failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, do one or both of the following: (a) increase the interest rate on this Note to 24.000% per annum, and (b) add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). Subject to any right of Lender to increase the interest rate on this Note in the event of a breach or other default, the interest rate will continue at the stated Note rate. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of California. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of KERN County, the State of California. (Initial Here don) Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other. This Note shall be governed by and construed in accordance with the laws of the State of California.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$15.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. Borrower grants to Lender a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA, Keogh, and trust accounts. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on this Note against any and all such accounts.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following party or parties are authorized as provided in this paragraph to request advances under the line of credit until Lender receives from Borrower at Lender's address, shown above written notice of revocation of their authority: Richard G. Rutan, President; and Joan Richey, Secretary. Advances and repayments under this Note may be made at the oral request of the President or the Secretary of Borrower. Borrower agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (a) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (b) Borrower or any guarantor cease doing business or is insolvent; (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (d) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (e) Lender in good faith deems itself insecure under this Note or any other agreement between Lender and Borrower.

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PROMISSORY NOTE
(Continued)

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew, extend (repeatedly and for any length of time) or modify this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

BORROWER:

VOYAGER AIRCRAFT INC.

By: Joan Richey

Joan Richey, Secretary

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

Account Number	Loan Number	Note	Due Date	Principal Amount
041-00092	41-200011	5-11-92	11-1-92	\$100,000.00

COMMERCIAL GUARANTY

Borrower: MOYAGER AIRCRAFT INC.
Hanger #77, Mojave Airport
Mojave, CA 91501

Lender: Mojave Desert Bank N.A.
15772 K Street
P.O. Box 1
Mojave, CA 91502

Guarantor: Richard G. Rutan
1833 Del Mar Ave.
Mojave, CA 91501

The Principal Amount of this Guaranty is One Hundred Thousand dollars and no/100
Dollars of 100,000.00

For valuable consideration Guarantor jointly and severally and unconditionally guarantees and promises to pay to Lender, its successors or assigns, on demand in lawful money of the United States of America, any and all indebtedness of Borrower to Lender, as follows:

1. **"Indebtedness" Defined.** The word "Indebtedness" is used in this Guaranty in its most comprehensive sense and includes, but is not limited to, any and all advances, debts, obligations, and liabilities of Borrower, or any of them, including judgments against Borrower, heretofore, now, or hereafter made, incurred, or created, whether voluntarily or involuntarily and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor, and whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations, and whether such indebtedness may be or hereafter may become otherwise unenforceable, and whether such indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

2. **Maximum Liability.** The liability of Guarantor under this Guaranty shall not exceed at any one time the sum of the Principal Amount set forth above, plus all interest thereon and plus all of Lender's costs, expenses, and attorney fees, including any or appeals, in connection with the enforcement of this Guaranty, the collection of the Indebtedness of Borrower, or with the collection or sale of any collateral, whether or not there is a lawsuit.

The above limitation on liability is not a restriction on the amount of the Indebtedness of Borrower to Lender either in the aggregate or at any one time. If Lender presently holds one or more guaranties or hereafter receives additional guaranties from Guarantor or the Indebtedness of Borrower, the rights of Lender under all guaranties shall be cumulative. This Guaranty shall not, unless herein provided, affect or invalidate any such other guaranties. The liability of Guarantor will be the aggregate liability of Guarantor under the terms of this Guaranty and any such other untermated guaranties.

3. **Nature of Guaranty.** The liability of Guarantor shall be open and continuous for so long as this Guaranty is in force. Guarantor intends to guarantee at all times the performance of all obligations of Borrower to Lender within the limits of Section 2. Thus, no payments made upon Borrower's Indebtedness will discharge or diminish the liability of Guarantor for any and all remaining and succeeding Indebtedness of Borrower to Lender. The liability of Guarantor will be enforceable against both the separate and community property of Guarantor whether now owned or hereafter acquired.

4. **Duration of Guaranty.** This Guaranty will take effect when received by Lender, without the necessity of any acceptance by Lender, and will continue in full force until such time as Guarantor notifies Lender in writing of Guarantor's election to revoke this Guaranty. Guarantor's written notice of revocation must be delivered to Lender at the branch or office of Lender as listed above. Written revocation of this Guaranty shall apply only to advances or new indebtedness created after actual receipt by Lender of Guarantor's written revocation. This Guaranty will continue to bind Guarantor for all indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation including any extension, renewal, or modification thereof. Renewals, extensions, and modifications of Borrower's Indebtedness, granted after Guarantor's revocation, are contemplated hereunder and will specifically not be considered new indebtedness. This Guaranty shall bind the estate of Guarantor as to Indebtedness created both before and after the death or incapacity of Guarantor, regardless of Lender's actual notice of Guarantor's death or incapacity, provided, that Guarantor's executor or administrator, or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Termination of this Guaranty by one of the undersigned shall not affect the liability hereunder of the remaining of the undersigned.

It is anticipated that fluctuations may occur in the aggregate amount of Indebtedness covered by this Guaranty and it is specifically acknowledged and agreed by Guarantor that reductions in the amount of Indebtedness, even to zero (0) dollars prior to written revocation of this Guaranty by Guarantor shall not constitute a termination of this Guaranty.

5. **Guarantor's Authorization to Lender.** Guarantor authorizes Lender, either before or after revocation hereof, without notice or demand and without affecting Guarantor's liability hereunder, from time to time to (a) make additional secured or unsecured loans to Borrower; (b) alter, compromise, renew, extend, accelerate, or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any part thereof, including an increase or decrease of the rate of interest thereon; (c) take and hold security for the payment of this Guaranty or the Indebtedness guaranteed, and exchange, enforce, waive, and release any such security, with or without the substitution of new collateral; (d) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors including Guarantors under this Guaranty on any terms or manner Lender chooses; (e) apply such security and direct the order or manner of its thereof, including, without limitation, a nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; and (f) assign this Guaranty in whole or in part without notice.

6. **Guarantor's Warranties.** Guarantor warrants that (a) this Guaranty is executed at Borrower's request and not at its request to the Lender; (b) Guarantor has no and will not, without prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (c) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition; and (d) Lender has made no representation to Guarantor as to the creditworthiness of Borrower. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks hereunder, and Guarantor further agrees that upon a request for information Lender shall have no obligation to disclose to Guarantor any confidential information which Lender may have received from any source.

Guarantor's Waivers. Guarantor waives any right to require Lender to take any action or nonaction on the part of Borrower, Lender, surety, endorser, or other guarantor (including any guarantor under this Guaranty) in connection with the Indebtedness guaranteed hereunder, or in connection with the creation of new or additional indebtedness; (b) proceed directly or at once against any person, including Borrower; (c) proceed directly against or exhaust any collateral held from Borrower, any other guarantor (including any Guarantor under this Guaranty), or any other person; (d) give notice of the terms, time, and place of any public or private sale of personal property security held from Borrower or comply with any other provisions of Section 9504 of the California Uniform Commercial Code; or (e) pursue any other remedy in Lender's power.

Guarantor waives any rights or defenses arising by reason of (a) any "one action" or "anti-deficiency" law (including without limitation Sections 580a, 580b, 580d, and 726 of the California Code of Civil Procedure as from time to time amended) or any other law which may prevent Lender from bringing any action, including a claim for deficiency against Borrower, before or after Lender's commencement or completion of any foreclosure action, either judicial or by exercise of a power of sale, in any election of remedies by Lender which limits or destroys Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging Borrower's indebtedness; (c) any disability or other defense of Borrower, of any other guarantor (including any Guarantor under this Guaranty), or of any other person, or by reason of this cessation of Borrower's liability from any cause whatsoever, other than payment in full of the indebtedness of Borrower (including without limitation any defense based on Section 580a, 580b, 580d, and 726 of the California Code of Civil Procedure); (d) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding an Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations. If payment is made by any party, whether voluntarily or otherwise on indebtedness guaranteed hereby and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of enforcement of this Guaranty.

☐ The remaining language in this section (7), applies only if the box at left is checked or marked in some manner.

If now or hereafter (a) Borrower shall be or become insolvent, and (b) the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and relinquishes in favor of Lender and Borrower, and their respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the federal bankruptcy laws.

8. **Guarantor's Understanding With Respect to Waivers.** Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences, and that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of such waivers is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law.

9. **Lender's Rights With Respect to Guarantor's Property in Possession of Lender.** In addition to all liens upon and rights of set-off against the moneys, securities, or other property of Guarantor given to Lender by law, Borrower grants to Lender a security interest in all moneys, securities, and other property of Guarantor now or hereafter in the possession of, or on deposit with, Lender, whether held in a general or special account or deposit, or for sale keeping or otherwise. Every such security interest may be exercised without demand upon or notice to Guarantor. No security interest shall deem to have been waived by any act or conduct on the part of Lender, or by any neglect to enforce such security interest, or by any delay in so doing. Every security interest shall continue in full force and effect until such security interest is specifically waived or released by an instrument in writing executed by Lender.

10. **Subordination of Borrower's Debts to Guarantor.** Guarantor agrees that the Indebtedness of Borrower to Lender whether now existing or hereafter created, shall be paid prior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or any assignee or trustee in bankruptcy of Borrower, provided, that such assignment shall be effective only for the purpose of assuring to Lender full payment of all Indebtedness of Borrower to Lender. Any notes now or hereafter evidencing such Indebtedness of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and, if Lender so requests, shall be delivered to Lender. Guarantor will, and Lender is hereby authorized, in the name of Guarantor from time to time to execute and file financing statements and continuation statements and execute such other documents and take such other action as Lender deems necessary or appropriate to perfect, preserve, and enforce its rights hereunder.

11. **Waiver of Authentication of Validity of Acts of Corporation or Partnership.** If any one or more of Borrower or Guarantor are corporations or partnerships, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or the officers, directors, partners, or agents acting or purporting to act on their behalf, and any Indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

12. **Obligations of Married Persons.** Any married person who signs this Guaranty as the Guarantor hereby expressly agrees that recourse may be had against his or her separate property for all his or her obligations under this Guaranty as well as community property of Guarantor.

13. **Application of Singular and Plural in Context and Construction.** In all cases where there are more than one Borrower or Guarantor, then all words used herein in the singular shall be deemed to have been used in the plural where the context and construction so require, and where there is more than one Borrower named herein, or when this Guaranty is executed by more than one Guarantor, the word "Borrower" or the word "Guarantor" respectively shall mean all and/or one or more of them.

14. **California Law Applicable.** This Guaranty is governed by and construed in accordance with the laws of the state of California.

THIS GUARANTY IS EFFECTIVE UNTIL TERMINATED IN THE MANNER SET FORTH IN PARAGRAPH 4.

The undersigned Guarantor(s) has executed this Guaranty on May 11, 1992

John J. [Signature]

1983 NOV 19 10 40 5-5
 DEPARTMENT OF TRANSPORTATION
 FEDERAL AVIATION ADMINISTRATION
 FAA AIRCRAFT REGISTRY
 P.O. Box 25504
 Oklahoma City, Oklahoma 73125
 AIRCRAFT SECURITY AGREEMENT

149394

NAME & ADDRESS OF DEBTOR/BORROWER: VOYAGER AIRCRAFT INC. Hangar #77, Mojave Airport Mojave, CA 93601	CONVEYANCE RECORDED JUN 3 12 19 PM '92 FEDERAL AVIATION ADMINISTRATION ABOVE SPACE FOR FAA USE ONLY
NAME & ADDRESS OF SECURED PARTY/ASSIGNOR/LENDER: MOJAVE DESERT BANK N.A. 18772 K STREET 93601 P.O. BOX C MOJAVE, CA 93602	
NAME OF SECURED PARTY'S ASSIGNEE/GRANTOR: VOYAGER AIRCRAFT INC. Hangar #77, Mojave Airport Mojave, CA 93601	

THIS AIRCRAFT SECURITY AGREEMENT is entered into between VOYAGER AIRCRAFT INC. (referred to below as "Grantor"); and MOJAVE DESERT BANK N.A. (referred to below as "Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a continuing security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Aircraft Security Agreement, as this Aircraft Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Aircraft Security Agreement from time to time.

Aircraft. The word "Aircraft" means the following described aircraft:

1984 Beechcraft Baron 58P

The manufacturer's serial number for the aircraft is TJ-438, and its FAA Registration Number is 449300. The word "Aircraft" also means and includes, without limitation, (a) the Airframe, (b) the Engines, and (c) any propellers.

Airframe. The word "Airframe" means the Aircraft's airframe, together with any and all parts, appliances, components, instruments, accessories, attachments, equipment, or avionics (including, without limitation, radio, radar, navigation systems, or other electronic equipment) installed in, appurtenant to, or delivered with or in respect of such airframe.

Collateral. The word "Collateral" means the following described property, whether now owned or hereafter acquired, whether now or hereafter existing, and wherever located:

- The Aircraft.
- The Engines and all avionics.
- All log books, manuals, flight records, maintenance records, inspection reports, airworthiness certificates, and other historical records or information relating to the Aircraft.
- All attachments, accessories, parts, and additions to and all replacements of and substitutions for any property described above.
- All rents, accounts, contract rights, chattel paper, general intangibles, and monies, arising out of or related to use, rental, sale, lease, or other disposition of any of the property described in this Collateral section.
- All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described in this Collateral section.

Commercial Operations. The words "Commercial Operations" mean the carriage by aircraft in air commerce of persons or property for compensation or hire. Commercial Operations do not include carriage by aircraft in air commerce of Grantor's employees or invitees or Grantor's own property.

Encumbrance. The word "Encumbrance" means any and all security interests, mortgages, liens, privileges, and other contractual or statutory security interests or rights of every nature and kind, that now or in the future may affect the Collateral or any part or parts of the Collateral.

Event of Default. The words "Event of Default" mean and include any of the Events of Default set forth below in the section titled "Events of Default."

Engines. The word "Engines" means any engines described above together with any other aircraft engines which either now or in the future are installed on, appurtenant to, or delivered with or in respect of the Airframe, together with any and all parts, appliances, components, accessories, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines. The word "Engines" shall also refer to any replacement aircraft engine which, under this Agreement, is required or permitted to be installed upon the Airframe.

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FAA. The abbreviation "FAA" means the United States Federal Aviation Administration, or any successor or replacement administration or governmental agency having the same or similar authority and responsibilities.

Geneva Convention. The words "Geneva Convention" mean the Convention on the International Recognition of Rights in Aircraft made at Geneva, Switzerland on June 19, 1948, (effective September 17, 1953), together with the necessary enacting rules and regulations promulgated by any particular signatory country.

Grantor. The word "Grantor" means VOYAGER AIRCRAFT INC., its successors and assigns.

Guarantor. The word "Guarantor" means and includes without limitation, each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. (Initial Here) In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, or any one or more of them, to Lender, as well as all claims by Lender against Grantor, or any one or more of them, whether existing now or later, whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means MOJAVE DESERT BANK N.A., its successors and assigns.

Note. The word "Note" means the note or credit agreement dated May 11, 1992, in the principal amount of \$100,000.00 from Grantor to Lender, together with all renewals or extensions or modifications or refinancings or consolidations of and substitutions for the note or credit agreement. This Note has been delivered to Lender and accepted by Lender in the State of California.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

RIGHT OF SETOFF. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of Grantor's right, title and interest in and to Grantor's accounts with Lender (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts Grantor may open in the future, excluding however all IRA, Keogh, and trust accounts. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all indebtedness against any and all such accounts.

DURATION. This Agreement shall remain in full force and effect until such time as the indebtedness secured hereby, in principle, interest, costs, expenses, attorneys' fees and other fees and charges, shall have been paid in full, together with all additional sums that Lender may make on Grantor's behalf and interest thereon as provided herein.

REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL. Grantor represents, warrants and covenants to Lender at all times while this Agreement is in effect as follows:

Title. Grantor warrants that Grantor is the lawful owner of the Collateral and holds good and marketable title to the Collateral, free and clear of all Encumbrances except the lien of this Agreement. Grantor is, or concurrent with the completion of the transactions contemplated by this Agreement will be, the registered owner of the Aircraft pursuant to a proper registration under the Federal Aviation Act of 1958, as amended, and Grantor qualifies in all respects as a citizen of the United States as defined in the Act. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons. The Collateral is not and will not be registered under the laws of any foreign country and Grantor is and will remain a citizen of the United States as defined in the Federal Aviation Act of 1958, as amended.

Authority; Binding Effect. Grantor has the full right, power and authority to enter into this Agreement and to grant a security interest in the Collateral to Lender. This Agreement is binding upon Grantor as well as Grantor's heirs, successors, representatives and assigns, and is legally enforceable in accordance with its terms. The foregoing representations and warranties and all other representations and warranties contained in this Agreement are and shall be continuing in nature and shall remain in full force and effect until such time as this Agreement is terminated or canceled as provided above.

Aircraft and Log Books. Grantor will keep accurate and complete logs, manuals, books, and records relating to the Collateral, and provide Lender with copies of such reports and information relating to the Collateral as Lender may reasonably require from time to time.

Perfection of Security Interest. Grantor agrees to execute financing statements and to take all other actions requested by Lender to perfect and continue Lender's security interests in the Collateral. In particular, Grantor will perform, or will cause to be performed, upon the request of Lender, each and all of the following:

- (a) Record, register and file this Agreement, together with such notices, financing statements or other documents or instruments as Lender may request from time to time to carry out fully the intent of this Agreement, with the FAA in Oklahoma City, Oklahoma, United States of America and other governmental agencies, either concurrent with the delivery and acceptance of the Aircraft or promptly after the execution and delivery of this Agreement;
- (b) Furnish to Lender evidence of every such recording, registering, and filing;
- (c) Execute and deliver or perform any and all acts and things which may be reasonably requested by Lender with respect to complying with or remaining subject to the Geneva Convention, the laws and regulations of the FAA, and the laws and regulation of any of the various states or countries in which the Aircraft is or may fly over, operate in, or become located in.

Grantor hereby appoints Lender as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interests granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender of any change in Grantor's name including any change to the assumed business names of Grantor. Grantor further agrees to notify Lender in writing prior to any change in address or location of Grantor's principal governance office.

Location and Inspection of Collateral. Grantor will hangar or keep the Collateral at its home airport or base location of Mojave Airport, CA. Except for routine use, Grantor shall not remove the Collateral from its existing location without the prior written consent of Lender. At any reasonable time, on demand by Lender, Grantor shall cause the Collateral (including the logs, books, manuals, and records comprising the Collateral) to be exhibited to Lender (or persons designated by Lender) for purposes of inspection and copying. Grantor shall, whenever requested, advise Lender of the exact location of the Aircraft.

Maintenance, Repairs, Inspections, and Licenses. Grantor, at its expense, shall do, or cause to be done, in a timely manner with respect to the Collateral each and all of the following:

- (a) Grantor shall maintain and keep the Collateral in as good condition and repair as it is on the date of this Agreement, ordinary wear and tear excepted.
- (b) Grantor shall maintain and keep the Aircraft in good order and repair and in airworthy condition in accordance with the requirements of each of the manufacturers' manuals and mandatory service bulletins and each of the manufacturers' non-mandatory service bulletins which relate to airworthiness.
- (c) Grantor shall replace in or on the Airframe, any and all Engines, parts, appliances, instruments or accessories which may be worn out, lost, destroyed or otherwise rendered unfit for use.
- (d) Grantor shall cause to be performed, on all parts of the Aircraft, all applicable mandatory Airworthiness Directives, Federal Aviation Regulations, Special Federal Aviation Regulations, and manufacturers' service bulletins relating to airworthiness, the compliance date of which shall occur while this Agreement is in effect.
- (e) Grantor shall be responsible for all required inspections of the Aircraft and licensing or re-licensing of the Aircraft in accordance with all applicable FAA and other governmental requirements. Borrower shall at all times cause the Aircraft to have on board and in a conspicuous location a current Certificate of Airworthiness issued by the FAA.
- (f) All inspections, maintenance, modifications, repairs, and overhauls of the Aircraft (including those performed on the Airframe, the Engines or any components, appliances, accessories, instruments, or equipment) shall be performed by personnel authorized by the FAA to perform such services.
- (g) If any Engine, component, appliance, accessory, instrument, equipment or part of the Aircraft shall reach such a condition as to require overhaul, repair or replacement for any cause whatever, in order to comply with the standards for maintenance and other provisions set forth in this Agreement, Grantor may:

(i) Install on or in the Aircraft such items of substantially the same type in temporary replacement of those then installed on the Aircraft, pending overhaul or repair of the unsatisfactory item; provided, however, that such replacement items must be in such a condition as to be permissible for use upon the Aircraft in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor at all times must retain unencumbered title to any and all items temporarily removed; or

(ii) Install on or in the Aircraft such items of substantially the same type and value in permanent replacement of those then installed on the Aircraft; provided, however, that such replacement items must be in such condition as to be permissible for use upon the Aircraft in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor must first comply with each of the requirements of subsection (h) below.

(h) In the event Grantor shall be required or permitted to install upon the Airframe or any Engine, components, appliances, accessories, instruments, engines, equipment or parts in permanent replacement of those then installed on the Airframe or such Engine, Grantor may do so provided that, in addition to any other requirements of this Agreement:

(i) Lender is not divested of its security interest in and lien upon any item removed from the Aircraft and that no such removed item shall be or become subject to the lien or claim of any person, unless and until such item is replaced by an item of the type and condition required by this Agreement, title to which, upon its being installed or attached to the Airframe, is validly vested in Grantor, free and clear of all liens and claims, of every kind or nature, of all persons other than Lender;

(ii) Grantor's title to every substituted item shall immediately be and become subject to the security interests and liens of Lender and each of the provisions of this Agreement, and each such item shall remain so encumbered and so subject unless it is, in turn, replaced by a substituted item in the manner permitted in this Agreement; and

(iii) If an item is removed from the Aircraft and replaced in accordance with the requirements of this Agreement, and if the substituted item satisfies the requirements of this Agreement, including the terms and conditions of subsections (h)(i) and (h)(ii) above, then the item which is removed shall thereupon be free and clear of the security interests and liens of Lender.

(i) In the event that any Engine, component, appliance, accessory, instrument, equipment or part is installed upon the Airframe, and is not in substitution for or in replacement of an existing item, such additional item shall be considered as an accession to the Airframe.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon the Agreement upon the note, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond, or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Compliance With Governmental Requirements. Grantor shall comply promptly with all laws, ordinances and regulations of the FAA and all other governmental authorities applicable to the use, operation, maintenance, overhauling or condition of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized. Without limiting the foregoing, Grantor agrees that at no time during the effectiveness of this Agreement shall the Aircraft be operated in, located in, or relocated to, any jurisdiction, unless the Geneva Convention, together with its necessary enabling rules and regulations, for some comparable treaty and regulations satisfactory to Lender shall be in effect in such jurisdiction and any notices, financing statements, documents, or instruments necessary or required, in the opinion of Lender, to be filed in such jurisdiction shall have been filed and the stamped copies thereof shall have been furnished to Lender. Notwithstanding the foregoing, at no time shall the Aircraft be operated in or over any area which may expose Lender to any penalty, fine, sanction or other liability, whether civil or criminal, under any applicable law, rule, treaty or convention; nor may the Aircraft be used in any manner which is or may be declared to be illegal and which may thereby render the Collateral liable to confiscation, seizure, detention or destruction.

Maintenance of Casualty Insurance. Grantor shall procure and maintain at all times all risks insurance on the Collateral, including without limitation fire, theft, liability and hull insurance, and such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor shall further provide and maintain, at its sole cost and expense, comprehensive public liability insurance, naming both Grantor and Lender as parties insured, protecting against claims for bodily injury, death and/or property damage arising out of the use, ownership, possession, operation and condition of the Aircraft, and further obtaining a broad form contractual liability endorsement covering Grantor's obligations to indemnify Lender as provided under this Agreement. Such policies of insurance must also contain a provision prohibiting cancellation or the alteration of such insurance without at least ten (10) days prior written notice to Lender of such intended cancellation or alteration. Grantor agrees to provide Lender with original or certified copies of such policies of insurance. Grantor, upon request of Lender, will deliver to Lender from time to time the

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policies or certificates of insurance in form satisfactory to Lender. In connection with all policies covering assets in which Lender holds or is offered a security interest for the indebtedness, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. Grantor shall not use or permit the Collateral to be used in any manner or for any purpose excepted from or contrary to the requirements of any insurance policy or policies required to be carried and maintained under this Agreement or for any purpose excepted or attempted from or contrary to the insurance policies, nor shall Grantor do any other act or permit anything to be done which could reasonably be expected to invalidate or limit any such insurance policy or policies.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral in excess of \$5,000, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Lender shall have the right to receive directly the proceeds of any insurance on the Collateral, including accrued proceeds thereon, and to hold the proceeds as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. Subject to applicable laws, the reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (a) the name of the insurer; (b) the risk insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Grantor shall upon request (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Indemnification. Grantor shall indemnify and hold Lender harmless from and against all liabilities, claims and demands whatsoever arising from any cause, including the doctrine of strict liability, in connection with this Agreement or Lender's rights in the Collateral or in the use, sale, operation or possession of the Collateral.

Prior Encumbrances. To the extent applicable, Grantor shall fully and timely perform any and all of its obligations under any prior Encumbrances affecting the Collateral. Without limiting the foregoing, Grantor shall not commit or permit to exist any breach of or default under any such prior Encumbrances. Grantor shall further promptly notify Lender in writing upon the occurrence of any event or circumstances that would, or that might, result in a breach of or default under any such prior Encumbrance. Grantor shall further not modify or extend any of the terms of any prior Encumbrance or any indebtedness secured thereby, or request or obtain any additional loans or other extensions of credit from any third party creditor or creditors whenever such additional loan advances or other extensions of credit may be directly or indirectly secured, whether by cross-collateralization or otherwise by the Collateral, or any part or parts thereof, with possible preference and priority over the lien of the Agreement.

Notice of Encumbrances and Events of Default. Grantor shall immediately notify Lender in writing upon the filing of any attachment, lien, judicial process, or claim relating to the Collateral. Grantor additionally agrees to immediately notify Lender in writing upon the occurrence of any Event of Default, or event that with the passage of time, failure to cure, or giving of notice, may result in an Event of Default under any of Grantor's obligations that may be secured by any presently existing or future Encumbrance, or that may result in an Encumbrance affecting the Collateral, or should the Collateral be seized or attached or levied upon, or threatened by seizure or attachment or levy, by any person other than Lender.

PROHIBITIONS REGARDING COLLATERAL. Grantor represents, warrants and covenants to Lender while this Agreement remains in effect as follows:

Transactions Involving Collateral. Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender, and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

No Commercial Use. Grantor shall not, without the prior written consent of Lender, use the Collateral, or permit the Collateral to be used, in Commercial Operations.

No Removal of Parts. Except as permitted or required in the section of this Agreement titled "Maintenance, Repairs, Inspections, and Licenses," Grantor shall not remove or permit the removal of any parts, engines, accessories, avionics or equipment from the Aircraft without replacing the same with comparable parts, engines, accessories, avionics and equipment acceptable to Lender and the Aircraft's manufacturer and insurer.

Future Encumbrances. Grantor shall not, without the prior written consent of Lender, grant any Encumbrance that may affect the Collateral, or any part or parts thereof, nor shall Grantor permit or consent to any Encumbrance attaching to or being filed against the Collateral, or any part or parts thereof, in favor of anyone other than Lender. Grantor shall further promptly pay when due all statements and charges of airport authorities, mechanics, airport, maintenance, suppliers and others incurred in connection with the use, operation, storage, maintenance and repair of the Aircraft so that no Encumbrance may attach to or be filed against the Aircraft or other Collateral. Grantor additionally agrees to obtain, upon request by Lender and in form and substance as may then be satisfactory to Lender, appropriate waivers and/or subordinations of any Encumbrances that may affect the Collateral at any time.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor shall have the possession and beneficial use of the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, rent, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under this Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the indebtedness and, at Lender's option, will (a) be payable on (i) (1) be added to the balance of the Note and (2) be amortized among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be

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trated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Default on indebtedness. Failure of Grantor to make any payment when due on the indebtedness.

Other Defaults. Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Lender and Grantor.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor Proceedings. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor against the Collateral or any other collateral securing the indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor proceeding and if Grantor gives Lender written notice of the creditor proceeding and deposits with Lender monies or a surety bond for the creditor proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or such Guarantor dies or becomes incompetent.

Insecurity. Lender, in good faith, deems itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate indebtedness. Lender may declare the entire indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days, or such lesser time as required by state law, before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of relating, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right; (b) the receiver may be an employee of Lender and may serve without bond; and (c) all fees of the receiver and his or her attorney shall become part of the indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of California. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of _____ County, State of California. (Initial Here _____) Lender and Grantor hereby waive the right to any trial in any action, proceeding, or counterclaim brought by either Lender or Grantor against the other. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Multiple Parties; Corporate Authority. All obligations of Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Agreement. Where any one or more of the parties are corporations or partnerships, it is not necessary for Lender to inquire into the powers of any of the

parties or of the officers, directors, partners, or agents acting or purporting to act on their behalf.

Notices. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current addresses.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other person or circumstance. If possible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Successor interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall constitute a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AIRCRAFT SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MAY 11, 1992.

GRANTOR:

VOYAGER AIRCRAFT INC.

By: Joan Pichey

Joan Pichey, Secretary

STATEMENT OF DESIGNATION OF COUNSELMUR 3663NAME OF COUNSEL: S. Alan Rosen & Lauren Ross of
Horgan, Rosen, Beckham & CorenADDRESS: 3900 W. Alameda, Suite 2000Toluca Lake, CA 91505TELEPHONE: (818) 955-7300

The above-named individual is hereby designated as my
counsel and is authorized to receive any notifications and other
communications from the Commission and to act on my behalf
before the Commission.

11-10-92
Date
Signature Franklin Don StowellRESPONDENT'S NAME: Mojave Desert BankADDRESS: 15772 K StreetMojave, CA 93501TELEPHONE: HOME() BUSINESS(805) 824-2200

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JUN 30 3 55 PM '94

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

)
) Enforcement Priority
)

GENERAL COUNSEL'S QUARTERLY REPORT

I. INTRODUCTION

This report is the second Enforcement Priority System Quarterly Report. The purpose of this Quarterly Report is to recommend that the Commission no longer pursue the identified lower priority and stale cases.

II. CASES RECOMMENDED FOR CLOSING

A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission approved criteria

By closing such cases the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 16 cases which do not warrant further pursuit relative to the other pending cases.¹ A short

1. These matters are: MUR 3920; MUR 3930; MUR 3934; MUR 3939; MUR 3942; MUR 3943; MUR 3945; MUR 3948; MUR 3953; MUR 3955; MUR 3957; MUR 3964; MUR 3965; MUR 3967; RAD 94L-22; and RAD 94L-25.

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description of each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 1-16. For the Commission's convenience, the narratives for externally-generated matters are immediately followed by the complaint and response(s) and the narratives for internally-generated matters are immediately followed by the referral.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old. Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 42 cases that

do not warrant further investment of significant Commission resources.² Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate

2. These matters are: MUR 3132; MUR 3432; MUR 3466; MUR 3470; MUR 3473; MUR 3495; MUR 3558; MUR 3575; MUR 3581; MUR 3594; MUR 3600; MUR 3625; MUR 3647; MUR 3663; MUR 3684; MUR 3698; MUR 3712; MUR 3733; MUR 3744; MUR 3749; MUR 3756; MUR 3759; MUR 3767; MUR 3776; MUR 3779; RAD 92L-26, RAD 93L-25; RAD 93L-26; RAD 93L-29; RAD 93L-31; RAD 93L-33; RAD 93L-35; RAD 93L-36; RAD 93L-38; RAD 93L-39; RAD 93NF-02; RAD 93NF-03; RAD 93NF-06; RAD 93NF-10; RAD 93NF-12; RAD 93NF-15; and RAD 93NF-20.

narratives for these cases. However, for externally-generated matters in which the Commission has made no findings, the complaint and response(s) are attached to the report and for internally-generated matters in which the Commission has made no findings, the referral is attached. See Attachments 17-53. Because the Commission has already made findings in five of the stale cases, no additional information is being attached to this report in regard to these cases.³

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3. These matters are: MUR 3132, MUR 3432, MUR 3466, MUR 3495, and MUR 3733.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the identified cases effective August 1, 1994. This will allow the Legal Review Team adequate time to prepare the Pre-MUR and MUR files so that the cases can appear on the public record by September 1, 1994, within 30 days of the August 1, 1994, closing date. This timeframe also will enable this Office to prepare closing letters so that the letters can be mailed on August 2, 1994. Additionally, the Press Office will need time to review the files for inclusion in one of its press releases.

III. RECOMMENDATIONS

A. Decline to open a MUR and close the file in the following matters to be effective on August 1, 1994:

- 1) RAD 92L-26
- 2) RAD 93L-25
- 3) RAD 93L-26
- 4) RAD 93L-29
- 5) RAD 93L-31
- 6) RAD 93L-33
- 7) RAD 93L-35
- 8) RAD 93L-36
- 9) RAD 93L-38
- 10) RAD 93L-39
- 11) RAD 94L-22
- 12) RAD 94L-25
- 13) RAD 93NF-02
- 14) RAD 93NF-03
- 15) RAD 93NF-06
- 16) RAD 93NF-10
- 17) RAD 93NF-12
- 18) RAD 93NF-15
- 19) RAD 93NF-20

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B. Take no action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

- 1) MUR 3470
- 2) MUR 3473
- 3) MUR 3558
- 4) MUP 3575
- 5) MUR 3581
- 6) MUR 3594
- 7) MUR 3600
- 8) MUR 3625
- 9) MUR 3647
- 10) MUR 3663
- 11) MUR 3684
- 12) MUR 3698
- 13) MUR 3712
- 14) MUR 3744
- 15) MUR 3749
- 16) MUR 3756
- 17) MUR 3759
- 18) MUR 3767
- 19) MUR 3776
- 20) MUR 3779
- 21) MUR 3920
- 22) MUR 3930
- 23) MUR 3934
- 24) MUR 3939
- 25) MUR 3942
- 26) MUR 3943
- 27) MUR 3945
- 28) MUR 3948
- 29) MUR 3953
- 30) MUR 3955
- 31) MUR 3957
- 32) MUR 3964
- 33) MUR 3965
- 34) MUR 3967


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C. Take no further action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

- 1) MUR 3132
- 2) MUR 3432
- 3) MUR 3466
- 4) MUR 3495
- 5) MUR 3733

Date

6/30/94


Lawrence M. Noble
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Enforcement Priority) Agenda Document
#X94-72

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 19, 1994, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions with respect to Agenda Document #X94-72:

A. Decline to open a MUR and close the file in the following matters to be effective on August 1, 1994:

- 1) RAD 92L-26
- 2) RAD 93L-25
- 3) RAD 93L-26
- 4) RAD 93L-29
- 5) RAD 93L-31
- 6) RAD 93L-33
- 7) RAD 93L-35
- 8) RAD 93L-36
- 9) RAD 93L-38
- 10) RAD 93L-39
- 11) RAD 94L-22
- 12) RAD 94L-25
- 13) RAD 93NF-02
- 14) RAD 93NF-03
- 15) RAD 93NF-06
- 16) RAD 93NF-10
- 17) RAD 93NF-12
- 18) RAD 93NF-15
- 19) RAD 93NF-20

(continued)

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Federal Election Commission
Certification: Enforcement Priority
July 19, 1994

Page 2

- B. Take no action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

- 1) MUR 3470
2) MUR 3473
3) MUR 3558
4) MUR 3575
5) MUR 3581
6) MUR 3594
7) MUR 3600
8) MUR 3625
9) MUR 3647
10) MUR 3663
11) MUR 3684
12) MUR 3698
13) MUR 3712
14) MUR 3744
15) MUR 3749
16) MUR 3756
17) MUR 3759
18) MUR 3767
19) MUR 3776
20) MUR 3779
21) MUR 3920
22) MUR 3930
23) MUR 3934
24) MUR 3939
25) MUR 3942
26) MUR 3943
27) MUR 3945
28) MUR 3948
29) MUR 3953
30) MUR 3955
31) MUR 3957
32) MUR 3964
33) MUR 3965
34) MUR 3967

(continued)

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Federal Election Commission
Certification: Enforcement Priority
July 19, 1994

Page 3

- C. Take no further action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

- 1) MUR 3132
- 2) MUR 3432
- 3) MUR 3466
- 4) MUR 3495
- 5) MUR 3733

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

7-20-94
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 2, 1994

Judith Corley, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, DC 20005-2011

RE: MUR 3663

Dear Ms. Corley:

On October 20, 1992, the Federal Election Commission received your complaint, filed on behalf of the Democratic Congressional Campaign Committee, alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

24043563042



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUG 02 1994

Joan Richey, Treasurer
Dick Rutan for America -'92 Committee
Hangar 77
1260 Flight Line
Mojave, CA 93501

RE: MUR 3663
Dick Rutan for America -'92
Committee and Joan Richey,
as Treasurer

Dear Ms. Richey:

On October 22, 1992, the Federal Election Commission notified Dick Rutan for America -'92 Committee and its treasurer, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Dick Rutan for America -'92 Committee and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

94043563043



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 2, 1994

Dick Rutan
Voyager Aircraft, Inc.
Mojave Airport Hanger 77
1260 Flight Line
Mojave, CA 93601

RE: MUR 3663
Voyager Aircraft, Inc. and
Dick Rutan

Dear Mr. Rutan:

On October 22, 1992, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Voyager Aircraft, Inc. and you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

24043563044



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

AUG 02 1994

S. Alan Rosen, Esq.
Lauren Ross, Esq.
Horgan, Rosen, Beckham & Coren
3900 W. Alameda, Suite 2000
Toluca Lake, CA 91505

RE: MUR 3663
Mojave Desert Bank, N.A.

Dear Mr. Rosen and Ms. Ross:

On October 22, 1992, the Federal Election Commission notified your client, Mojave Desert Bank, N.A., of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your client. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

94043563045



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3663

DATE FILMED 8-30-94 CAMERA NO. 2

CAMERAMAN JMH

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