

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:)
)
ADAM AIRCRAFT INDUSTRIES, INC.) Case No. 08-11751 MER
EIN: 161643299,) Chapter 7
)
Debtor.)

**ADVISEMENT OF PROPERTY OWNED BY WILLIAMS INTERNATIONAL CO. LLC
AND RESERVATION OF RIGHTS WITH RESPECT TO PROPOSED SALE OF
DEBTOR'S ASSETS**

Williams International Co. LLC (“Williams”), through its undersigned counsel, Pearson, Horowitz & Burnett, P.C., hereby respond as follows to the Motion for Orders: (A) Authorizing and Scheduling an Auction to Solicit Bids for the Sale of Substantially All Assets of Debtor’s Bankruptcy Estate, Free and Clear of Liens, Claims, Interests and Encumbrances; (B) Approving Bid and Auction Procedures; (C) Scheduling a Hearing to Consider Approval of the Sale; and (D) Establishing the Form and Manner of Notice (the “Sales Procedures Motion”) filed by Jeffrey A. Weinman (the “Trustee”).

1. The Debtor is in possession of four Non-Certified Prototype Model FJ33 experimental engines, serial numbers 150002, 150008, 150010, and 150017, together with associated parts, owned by Williams and provided to the Debtor under a no-cost bailment for ground and flight tests. Pursuant to the bailment, title and ownership of the bailed engines remain with Williams. At the completion or termination of the bailment, the Debtor is required to redeliver the engines to Williams.

2. The Sales Procedures Motion contemplates a sale of substantially all assets of the Debtor free and clear of liens, claims, interests, and encumbrances. If the scheduling proposed by the Trustee is approved by the Court, the Sales Procedures Motion further contemplates that a Sale Notice will be filed and that interested parties will be permitted to file sale objections on or before April 7, 2008, with a sale hearing to occur on April 9, 2008.

3. The bailed engines owned by Williams are not property of the Debtor’s estate, and may not be sold free and clear of Williams’ title and ownership.

4. The Sales Procedures Motion is described by the Trustee as procedural in nature, in that “it does not seek final approval of a sale of property of the estate, only approval of procedures toward that end.” Williams does not object to the sales procedures, but will object to any effort to sell Williams’ bailed engines.

5. Williams wishes to put the Trustee and any interested bidders on notice that the Debtor is in possession of Williams' bailed engines, that the Trustee may not lawfully sell such engines, and that any inclusion of Williams' engines in the proposed sale will prompt an objection to such sale from Williams. Moreover, Williams requests that the Trustee make arrangements with Williams through the undersigned counsel for the prompt delivery and return of the engines to Williams.

Dated this 6th day of March, 2008

PEARSON, HOROWITZ & BURNETT, P.C.

1775 Sherman, 31st Floor

Denver, CO 80203

Telephone No. 303.996.8637

Facsimile No.: 303.298.7010

By: /s/ Bart B. Burnett

Bart B. Burnett

Colorado Bar No. 21258

bburnett@ph-law.com

Attorneys for Williams International Co., LLC