

**IN THE 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.)	

**TRUSTEE'S
CERTIFICATE OF CONTESTED MATTER AND
MOTION FOR EXPEDITED HEARING**

Jeffrey A. Weinman, as Chapter 7 Trustee for the Adam Aircraft Industries, Inc. bankruptcy estate (the "Trustee"), for his Certificate of Contested Matter and Motion for Expedited Hearing, states:

1. On February 15, 2008 (the "Petition Date"), Adam Aircraft Industries, Inc. (the "Debtor"), filed its voluntary petition for relief under Chapter 7 of Title 11, U.S.C. (the "Bankruptcy Code"). The Trustee is the duly appointed Chapter 7 Trustee in the Debtor's bankruptcy case.

2. Before the Petition Date, the Debtor designed and manufactured advanced carbon composite aircraft and airframes; the Debtor ceased operations on the eve of filing. In an effort to maximize value of the Debtor's assets in a timely fashion, the Trustee filed on February 28, 2008, the following (together, the "Pending Motions"):

(a) 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;

(b) Motion to Establish Procedures for Determination of Cure Amounts and for Approval of Assumption and Assignment of Executory Contracts and Unexpired Leases Pursuant to an Auction Sale; and

(c) Motion for Limited Authority to Operate Business Pending Auction;

3. The Trustee filed the Pending Motions with a Notice Pursuant to Local Bankruptcy Rule 202 (the "Notice"), and a motion to limit and shorten the Notice. The Court granted the Trustee's motion to shorten and limit notice through its order entered on March 3, 2008.

4. Although the Trustee served more than 100 parties in interest, a total of four (4) parties filed responses and/or objections to some of the Trustee's Pending Motions. For the following reasons, the Trustee believes that the responses and/or objections do not oppose the relief that the Trustee seeks in the Pending Motions. The Trustee requests an expedited hearing on the Pending Motions at the earliest time available in light of the exigencies of the Debtor's case, and entry of orders granting the Pending Motions.

Trustee's 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

5. Three responses/objections were filed concerning the Trustee's motion to set bidding procedures. Williams International Co. LLC ("Williams") filed a response, stating that it "does not object to the sales procedures." *See* Docket entry no. 69, at p. 4. Williams complains that the Trustee should not be allowed to sell airplane engines that the Debtor does not own,

which is relief that the Trustee simply does not seek through the sale procedure motion (nor does the Trustee contemplate selling any assets that are not property of the estate when an actual sale takes place).

6. Hartzell Propeller, Inc. (“Hartzell”) likewise filed an objection, opposing the Trustee’s sale procedure motion only “to the extent the Trustee intends to sell” assets that Hartzell owns. *See* Docket entry no. 71, at p. 6. Again, the Trustee’s sale procedure motion does not seek to sell any assets, only to establish procedures and deadlines to govern an orderly and prompt sale. The Trustee says just that plainly the sale procedure motion.

7. The Arapahoe County Treasurer filed an objection, complaining that it “has not had sufficient time to ensure that provisions are established to set aside estate funds to guarantee payment” of its tax claims. *See* Docket entry no. 72, at p. 2(c). Once again, the Trustee has not requested an order authorizing the sale of any specific assets; nor has the Trustee requested that the Court disallow any claims or authorize a distribution of estate funds on account of prepetition claims. To the extent that any taxing authorities have valid, first priority secured or unsecured claims in the Debtor’s case, those will be paid from estate funds in accordance with the Bankruptcy Code.

8. The Trustee will file a separate motion for authority to sell the Debtor’s assets in bulk sufficiently in advance of the proposed sale hearing and objection deadlines proposed in the sale procedure motion. As disclosed from the outset, the Trustee will seek to sell all or substantially all of the Debtor’s assets in bulk – those assets are identified in detail in the Debtor’s statements and schedules.

Motion to Establish Procedures for Determination of Cure Amounts and for Approval of Assumption and Assignment of Executory Contracts and Unexpired Leases Pursuant to an Auction Sale

9. One objection to the Trustee's cure procedure motion was filed by Hartzell. *See* Docket entry no. 70. Hartzell complains that it is "unable to determine if its rights and interests will be impaired or compromised" through the procedure requested by the Trustee as to executory contracts and unexpired leases. First, the Debtor's Schedule G, which was filed on March 4, 2008, does not list Hartzell as a party to any executory contract or unexpired lease, which should assuage Hartzell's concerns. And Hartzell does not have standing to oppose the procedural relief as to other parties' contracts and leases, in any event.

10. Second, the supposed inconsistency as to the cure procedure proposed by the Trustee does not exist – the Trustee will give notice of cure amounts to all parties to the Debtor's executory contracts and unexpired leases as stated in the cure procedure motion. But only those unexpired leases and executory contracts that the successful asset purchaser wants to take over as part of the sale will be assumed and assigned (and cured as required for assumption and assignment). Hartzell's objection to the Trustee's request for procedures to determine cure amounts should be summarily overruled.

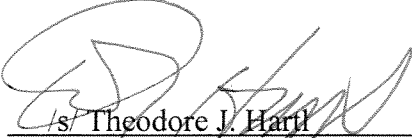
Motion for Limited Authority to Operate Business Pending Auction

11. One response to the Trustee's motion to operate the Debtor's business on a limited basis pending completion of the auction was filed by one of the Debtor's lessors, Portfolio Real Estate Lakewood, LLC ("Portfolio"). *See* Docket entry no. 66. Portfolio states that "does not object to the Motion," but wants the Trustee to pay rent if he is authorized to operate the business. The Trustee's motion for limited authority says outright in paragraph 7 that "[t]he Trustee will pay rent."

WHEREFORE, the Trustee respectfully requests entry of an order setting an expedited hearing, or alternatively, entering orders summarily overruling the foregoing responses/objections and granting the relief requested in the Pending Motions.

Dated this 7th day of March, 2008.

LINDQUIST & VENNUM P.L.L.P.

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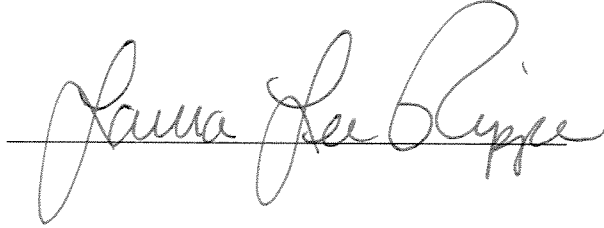
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Counsel for Jeffrey A. Weinman, Chapter 7 Trustee

CERTIFICATE OF SERVICE

The undersigned does hereby certify that on the 7th day of March, 2008, a true and correct copy of the foregoing **TRUSTEE'S CERTIFICATE OF CONTESTED MATTER AND MOTION FOR EXPEDITED HEARING** was deposited in the United States mail, proper postage prepaid, addressed to the parties on the attached list.

A handwritten signature in cursive script, reading "Paula Lee Rippe", is written over a horizontal line.

Label Matrix for local noticing
1082-1
Case 08-11751-MER
District of Colorado
Denver
Fri Mar 7 14:01:29 MST 2008

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End of Label Matrix
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Bypassed recipients 0
Total 23