

April 23, 2003

Teena Dunn, Esq.  
Global Aviation Title Insurance Agency LLC  
Tenth Floor, Two Leadership Sq.  
211 North Robinson  
Oklahoma City, OK 73102-0439

Dear Ms. Dunn:

Aircraft N804CW

Your letter of April 10, 2003 requested our review of the Bill of Sale, from BSB Bank and Trust Company (BSB), as seller, to Montgomery Jet Center, Inc., as purchaser; and Certificate of Repossession of Encumbered Aircraft (Certificate of Repossession), submitted to support the proposed deregistration of the above referenced aircraft from the FAA Aircraft Registry.

You have requested our opinion as to whether:

1. The Bill of Sale and Certificate of Repossession are recordable instruments, within the meaning of 49 U.S.C. § 44107(a); and
2. The filing of the Certificate of Registration, in properly executed form, will be sufficient to discharge two senior liens and a junior lien, so as to allow the aircraft to be deregistered from the Aircraft Registry.

It is our opinion that:

1. The Bill of Sale and Certificate of Repossession are instruments which are eligible for recordation, pursuant to 49 U.S.C. § 44107(a);
2. The filing of a properly executed Certificate of Repossession will be sufficient to discharge the senior liens and junior lien, and the aircraft will be eligible for deregistration from the FAA Aircraft Registry.

You have represented that Miller Aviation, Inc. acquired the aircraft in September, 1997, pursuant to a bill of sale. Simultaneously, incident to an Aircraft Security Agreement (BSB Security Agreement I), Miller Aviation, Inc. granted to BSB a first priority security interest in the aircraft.

Later, in October, 1998, pursuant to a Certificate of Merger, Miller Aviation, Inc. merged with and into Corporate Wings Services Corp. (Corporate Wings), which was the surviving corporation, and, as a result, the ownership of the aircraft became vested in Corporate Wings,

subject to the first priority security interest granted to BSB. Nearly simultaneously with the merger, pursuant to an Aircraft Security Agreement (BSB Security Agreement II), Corporate Wings Flight Options, Inc. and Flight Options, Inc. granted to BSB a security interest in the aircraft. As a co-borrower in BSB Security Agreement II, Flight Options, Inc. granted a security interest to secure the loan. You have represented that BSB Security Agreement II was recorded by the FAA Registry (a copy of the instrument, showing the recordation stamp, was subsequently provided as a supplement to the request for opinion).

In April, 2000, Corporate Wings sold to KA Leasing Company, LLC a fifty percent undivided fractional interest in the aircraft, subject to the first priority security interests granted to BSB in accordance with BSB Security Agreement I and BSB Security Agreement II. As a result of this conveyance, Corporate Wings owned a fifty percent undivided fractional interest in the aircraft, also subject to the first priority security interests of BSB Security Agreements I and II. In December, 2000, Corporate Wings amended its Certificate of Incorporation, to change its name to Options Flight Support, Inc.

In April, 2002, pursuant to an Aircraft Security Agreement (Junior Lien), KA Leasing, Inc. granted to The Provident Bank a security interest in its fractional ownership of the aircraft. The security interest granted by KA was subject to the first priority security interests granted to BSB under BSB Security Agreements I and II.

Pursuant to information provided in the Certificate of Repossession, in November, 2002, Options Flight Support, Inc. (formerly Corporate Wings) breached the obligations and promises contained in BSB Security Agreements I and II. It further provides that BSB has performed all obligations imposed on it by BSB Security Agreements I and II, along with all applicable local laws. Further, in accordance with BSB Security Agreements I and II and the laws of the State of New York, BSB repossessed the aircraft, and foreclosed on it in April, 2003, and sold the aircraft to the Purchaser, Montgomery Jet Center, Inc. The Certificate of Repossession further provides that, in accordance with local law, the repossession divested Options Flight Support, Inc., Flight Options, Inc. and KA Leasing, Inc. of any and all right, title and interest that they may have had in the aircraft. It is assumed, for purposes of this opinion letter, that applicable local law provides that, once the aircraft is disposed by a secured party after default, "... the disposition transfers to a purchaser for value all of the debtor's rights therein, discharges the security interest or lien under which it is made and any security interest or lien subordinate thereto." (Reference Sec. 9-504(4), Uniform Commercial Code)

The Certificate of Repossession also provides that BSB owns the aircraft free and clear of all rights and claims of any persons whatsoever, as if BSB had foreclosed in a court of law or equity. It further provides that, pursuant to local law, the repossession, foreclosure and sale terminated the Junior Lien, and that the aircraft is released from, and is no longer subject to, the Junior Lien. BSB now desires to sell to the Purchaser, and the Purchaser desires to purchase from BSB, all of the ownership, right and interest in the aircraft.

It is assumed, based upon your verbal representations, that all other security interests which have been previously recorded on this aircraft (and which have not been made the subject of this opinion request) have been released or otherwise satisfied. Consequently, the security interests which are the subject of this opinion are the only interests which are at issue with respect to the proposed deregistration of the aircraft.

Based upon your representation that BSB has complied with all applicable local laws for repossessing and selling the aircraft, it appears that the repossession action has discharged the Senior Lien and all other inferior liens, including the Junior Lien described above. Consequently, the Senior Lien and Junior Lien are "satisfied," within the meaning of Section 47.47(a)(2) of the Federal Aviation Regulations (14 CFR § 47.47(a)(2)) (As indicated above, for purposes of this opinion, it is assumed that all other security interests which have been recorded on this aircraft are released or otherwise satisfied.) Accordingly, the aircraft will be eligible for deregistration from the FAA Aircraft Registry for purposes of export, once the Certificate of Repossession is filed and recorded.

Sincerely,

Joseph R. Standell  
Aeronautical Center Counsel

By:

Alonso J. Rodriguez  
Senior Attorney