

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re : Chapter 11
  
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AEROCENTURY CORP., *et al.*, : Case No. 21-10636 (JTD)
  
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Debtors.<sup>1</sup> : (Jointly Administered)
  
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-----X **Re: Docket Nos. 9 and 36**

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO PAY AND HONOR CERTAIN  
(A) PREPETITION WAGES, BENEFITS, AND OTHER COMPENSATION  
OBLIGATIONS; (B) PREPETITION EMPLOYEE BUSINESS EXPENSES; AND  
(C) WORKERS' COMPENSATION OBLIGATIONS; (II) AUTHORIZING BANKS TO  
HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH  
OBLIGATIONS; AND (III) GRANTING RELATED RELIEF**

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors for the entry of interim and final orders, pursuant to sections 105(a), 363(b), 507(a)(4), and 507(a)(5) of the Bankruptcy Code, (i) authorizing, but not directing, the Debtors, in accordance with their stated policies and in their discretion, to pay, honor, or otherwise satisfy certain of the Employee Obligations, including amounts and obligations related to the period prior to the Petition Date, and continue certain of their Employee Benefits in the ordinary course of business; (ii) continue the Workers' Compensation Program and honor obligations related thereto, regardless of when accrued; and (iii) authorizing Banks to honor and process related checks and electronic transfers; and upon consideration of the First Day Declaration; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and this Court

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of their federal employer identification number, are: AeroCentury Corp. (3974); JetFleet Holding Corp. (5342); and JetFleet Management Corp. (0929). The Debtors' mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the First Day Declaration, as applicable.



having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having determined that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having determined that venue of the Chapter 11 Cases and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and their creditors; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on a final basis as set forth herein.
2. Upon entry of this Final Order, the Debtors are authorized, but not directed, to pay and/or honor (including to any third parties that provide or aid in the monitoring, processing or administration of the Employee Obligations), in their sole discretion, the Employee Obligations, including any amounts owed to Avia, as and when such obligations are due, in an amount not to exceed \$200,000, in the aggregate absent further order of this Court; *provided, however*, that notwithstanding any other provision of this Final Order, no payments to any Employee shall exceed the amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code unless such amounts above the \$13,650 statutory cap provided for under section 507(a)(4) of the Bankruptcy Code are a result of cash payment for unpaid amounts under the Vacation and Leave Policies that is required under applicable state law.
3. Subject to paragraph 2, the Debtors are authorized, but not directed, in their sole discretion, to honor and continue the Employee Benefits that were in effect as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an

authorization to assume any of such Employee Benefits under section 365(a) of the Bankruptcy Code.

4. The Debtors are hereby authorized, but not directed, to continue the Workers' Compensation Program, in the ordinary course of business and in accordance with the Debtors' prepetition policies and programs, and to pay any workers' compensation claims, third-party administrator fees, deductibles, retentions, premiums, and other amounts required in connection with the Workers Compensation Program as such amounts become due in the ordinary course during the pendency of the Chapter 11 Cases, regardless of when accrued.

5. The Debtors may pay and remit any and all Employee Withholdings, whether these relate to the period prior to or after the Petition Date.

6. The Banks shall be and hereby are authorized to receive, process, honor and pay all prepetition and postpetition checks and fund transfers on account of the Employee Obligations that had not been honored and paid as of the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Banks are prohibited from placing any holds on, or attempting to reverse, any automatic transfers to any account of an Employee or other party for Employee Obligations. The Debtors are hereby authorized to issue new postpetition checks or effect new postpetition fund transfers on account of the Employee Obligations to replace any prepetition checks or fund transfer requests that may be dishonored or rejected.

7. Notwithstanding any other provision of this Final Order, any Bank may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and any Bank that honors a prepetition check or other item drawn on any account that is the subject of this Final Order (i) at the direction of the Debtors, (ii) in a good-faith belief

that this Court has authorized such prepetition check or item to be honored, or (iii) as a result of an innocent mistake made despite the above-described protective measures, shall not be liable to the Debtors or their estates on account of such prepetition check or other item being honored postpetition.

8. Any party receiving payment from the Debtors is authorized to rely upon the representations of the Debtors as to which payments are authorized by this Final Order.

9. Nothing in the Motion or this Final Order or the relief granted (including any actions taken or payments made by the Debtors pursuant to the relief) shall (i) be construed as a request for authority to assume any executory contract under section 365 of the Bankruptcy Code; (ii) waive, affect or impair any of the Debtors' rights, claims or defenses, including, but not limited to, those arising from section 365 of the Bankruptcy Code, other applicable law and any agreement; (iii) grant third-party beneficiary status or bestow any additional rights on any third party; or (iv) be otherwise enforceable by any third party.

10. The Debtors shall not make any payments in excess of the amounts set forth in section 507(a)(4) and 507(a)(5) of the Bankruptcy Code, absent further order of this Court.

11. Nothing in this Final Order shall authorize the Debtors to pay any payments to or on behalf of "insiders" (as defined by section 101(31) of the Bankruptcy Code) that would violate section 503(c) of the Bankruptcy Code. Accordingly, nothing herein approves any bonus and/or severance program under section 503(c).

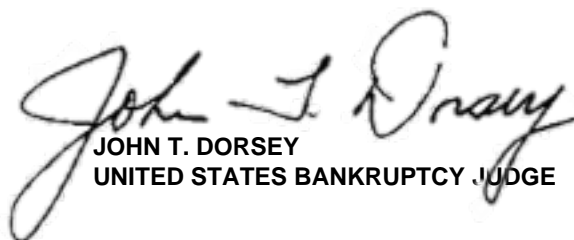
12. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Final Order.

13. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

14. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Final Order shall be effective immediately and enforceable upon its entry.

15. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Final Order.

Dated: April 20th, 2021  
Wilmington, Delaware

  
JOHN T. DORSEY  
UNITED STATES BANKRUPTCY JUDGE