

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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: In re : Chapter 11
: :
: AEROCENTURY CORP., et al., : Case No. 21-10636 (JTD)
: :
: Debtors.¹ : (Jointly Administered)
: :
-----X Re: Docket Nos. 12, 87, 158 and 159

**CERTIFICATION OF COUNSEL SUBMITTING PROPOSED ORDER
(I) APPROVING AND AUTHORIZING THE SALE OF THOSE CERTAIN
SPARE PARTS AND CONSIGNMENT INVENTORY WITH RESPECT TO THE 453
SAAB 348B PLUS AND 4020 BOMBARDIER Q400 TO STRATUS AERO
PARTNERS, FREE AND CLEAR OF ALL LIENS, CLAIMS, AND
ENCUMBRANCES, AND (II) GRANTING RELATED RELIEF**

On March 29, 2021, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of: (A) an Order (I) Approving Bidding Procedures in Connection With the Sale of Substantially All of the Debtors’ Assets, (II) Authorizing the Debtors to Enter Into the Stalking Horse Purchase Agreement, (III) Scheduling an Auction for and Hearing to Approve the Sale, (IV) Approving Notice of Respective Date, Time and Place for Auction and for Hearing on Approval of Sale, (V) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (VI) Approving Form and Manner of Notice Thereof, and (VII) Granting Related Relief; and (B) An Order Authorizing and Approving (I) the Sale Free and Clear of Liens, Claims, Rights, Encumbrances, and Other Interests, and (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (III) Related Relief* [Docket No. 12] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). On April 22, 2021, the Court entered the *Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors’ Assets; (II) Authorizing the Debtors to Enter Into the Stalking Horse Purchase Agreement, (III) Scheduling an Auction for and Hearing to Approve the Sale; (IV) Approving Notice of Respective Date, Time and Place for Auction and for Hearing on Approval of Sale; (V) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (VI) Approving Form and Manner of Notice Thereof; and (VII) Granting Related Relief; and (V) Granting Related Relief* [Docket No. 87] (the “Bidding Procedures Order”), and on May 26, 2021, the Debtors filed the *Declaration of Adam M. Rosen in Support of Sale to Stratus* [Docket No. 158] (the “Rosen Declaration”) and the *Declaration of Christopher Tigno in Support of Sale to Stratus* [Docket No. 159] (together with the Rosen Declaration, the “Declarations”).

¹ 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.



As set forth in the Declarations, no other bids were received for the assets to be sold to Stratus Aero Partners (“Stratus”).

In accordance with the Motion, the Bidding Procedures Order, and the Declarations, the Debtors hereby submit a proposed form of order (the “Proposed Stratus Sale Order”), a copy of which is attached hereto as **Exhibit A**, authorizing and approving (a) the sale of certain spare parts and inventory for the 453 Saab 340B Plus and the 4020 Bombardier Q400 to Stratus pursuant to the Proposed Stratus Sale Order, free and clear of all liens claims, interests, leasehold interests (including any lease recordings and/or collateral assignments), and encumbrances, and (b) granting related relief.

The U.S. Trustee has reviewed the Proposed Stratus Sale Order, and does not object to its entry.

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Accordingly, the Debtors respectfully request that the Court enter the Proposed Stratus Sale Order without further notice or hearing at the Court's earliest convenience.

Dated: May 26, 2021
Wilmington, Delaware

/s/ Joseph M. Mulvihill

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EXHIBIT A

Proposed Stratus Sale Order

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.¹ : (Jointly Administered)

:

: **Re: Docket Nos. 12, 87**

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ORDER (I) APPROVING AND AUTHORIZING THE SALE OF THOSE CERTAIN SPARE PARTS AND CONSIGNMENT INVENTORY WITH RESPECT TO THE 453 SAAB 348B PLUS AND 4020 BOMBARDIER Q400 TO STRATUS AERO PARTNERS, FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES, AND (II) GRANTING RELATED RELIEF

Upon consideration of the *Motion for Entry of: (A) an Order (I) Approving Bidding Procedures in Connection With the Sale of Substantially All of the Debtors’ Assets, (II) Authorizing the Debtors to Enter Into the Stalking Horse Purchase Agreement, (III) Scheduling an Auction for and Hearing to Approve the Sale, (IV) Approving Notice of Respective Date, Time and Place for Auction and for Hearing on Approval of Sale, (V) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (VI) Approving Form and Manner of Notice Thereof, and (VII) Granting Related Relief; and (B) An Order Authorizing and Approving (I) the Sale Free and Clear of Liens, Claims, Rights, Encumbrances, and Other Interests, and (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (III) Related Relief* [Docket No. 12] (the “Motion”)² filed by the above-captioned debtors and debtors in possession (the “Debtors”); and the Court having entered on April 22, 2021,

¹ 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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

that certain Order (I) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets; (II) Authorizing the Debtors to Enter Into the Stalking Horse Purchase Agreement, (III) Scheduling an Auction for and Hearing to Approve the Sale; (IV) Approving Notice of Respective Date, Time and Place for Auction and for Hearing on Approval of Sale; (V) Approving Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (VI) Approving Form and Manner of Notice Thereof; and (VII) Granting Related Relief; and (V) Granting Related Relief [Docket No. 87] (the "Bidding Procedures Order"); and the Debtors now seek, in accordance with the relief requested in the Motion and the Bidding Procedures Order, entry of an order (this "Sale Order") authorizing and approving (a) the sale (the "Sale") of those certain spare parts and consignment inventory with respect to the 453 Saab 348B Plus and 4020 Bombardier Q400 (the "Purchased Assets") to Stratus Aero Partners ("Buyer"), free and clear of all liens claims, interests, and encumbrances (collectively, the "Encumbrances"), and (b) granting related relief; and the Debtors having determined that the highest or otherwise best offer for the Purchased Assets was made by the Buyer; and the Court having considered the *Declaration of Adam M. Rosen in Support of Sale to Stratus* and the *Declaration of Christopher Tigno in Support of Sale to Stratus*; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their bankruptcy estates, creditors, and other parties in interest in the chapter 11 cases;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is granted as set forth herein.
2. The Sale of the Purchased Assets to the Buyer is hereby approved.
3. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors, acting by and through their agents, representatives and officers, are authorized and empowered to take any and all actions necessary or appropriate to: (a) consummate and close the Sale pursuant to and in

accordance with the terms and conditions of this Sale Order; (b) transfer and assign all right, title, and interest to all property, licenses, and rights to be conveyed in accordance with the terms and conditions of this Sale Order; and (c) execute and deliver, perform under, consummate, and implement this Sale Order and all additional instruments and documents that may be reasonably necessary or desirable to implement this Sale Order and the Sale, including any other ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by this Sale Order and any such other ancillary documents.

4. This Sale Order shall be binding in all respects upon the Debtors, their bankruptcy estates, all creditors, all holders of equity interests in the Debtors, all holders of any Encumbrances against the Debtors, any holders of Encumbrances against or on the Purchased Assets, all counterparties to any executory contract or unexpired lease of the Debtors, the Buyer and all agents, representatives, affiliates, and permitted successors and assigns of the Buyer.

5. Pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, upon the Closing, the Purchased Assets shall be transferred to the Buyer free and clear of all Encumbrances, with any such Encumbrances to attaching to the cash proceeds of the Sale in the order of their priority, with the same validity, force, and effect that they now have as against the Purchased Assets, subject to any claims and defenses the Debtors and their bankruptcy estates may possess with respect thereto.

6. Upon the Closing, this Sale Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Purchased Assets or a bill of sale transferring good and marketable title in such Purchased Assets to the Buyer pursuant to the terms set forth in this Sale Order.

7. Subject to the terms and conditions of this Sale Order, the transfer of the Purchased Assets to the Buyer and the consummation of the Sale and any related actions contemplated thereby do not require any consents other than as specifically provided for in this Sale Order constitutes a legal, valid, and effective transfer of the Purchased Assets, and shall vest the Buyer with right, title, and interest in and to the Purchased Assets as set forth in this Sale Order, free and clear of all Encumbrances.

8. Upon Closing of the Sale, the cash proceeds of the Sale shall be treated by the Debtors in accordance with the *Final Order Under 11 U.S.C. §§ 105, 361, 362, 363, and 507 and Bankruptcy Rules 2002, 4001, and 9014 (I) Authorizing Debtors to Use Cash Collateral, and (II) Granting Adequate Protection to Secured Lender* [Docket No. 86].

9. Upon consummation of the Sale, if any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Encumbrances against or in the Purchased Assets shall not have delivered to the Debtors prior to the closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfactions, releases of all Encumbrances that the person or entity has with respect to the Purchased Assets, or otherwise, then (a) the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets, and (b) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Encumbrances against or in the Purchased Assets of any kind or nature; provided that, notwithstanding anything in this Sale Order to the contrary, the provisions of this Sale Order shall be self-executing, and neither the Debtors nor the Buyer shall be required to execute or file releases, termination

statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Sale Order.

10. The Buyer and Worthington Aviation, LLC have agreed to waive any consignment fees with respect to the Sale of the Purchased Assets.

11. The consideration provided by the Buyer for the Purchased Assets shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, and the transactions consummated in connection therewith are not, and shall not be, avoidable under the Bankruptcy Code or any such laws.

12. This Order shall be binding upon and shall govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Purchased Assets. Each and every federal, state and local governmental agency or department is hereby authorized to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Sale. The Buyer and the Debtor shall take such further steps and execute such further documents, assignments, instruments and papers as shall be reasonably requested by the other to implement and effectuate the transactions contemplated in this paragraph.

13. The Debtors, including their respective officers, employees and agents, are hereby authorized to execute such documents and do such acts as are necessary or desirable to carry out the transactions contemplated by the terms and conditions of this Sale Order.

14. Any Sale related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court.

15. Notwithstanding the provisions of Bankruptcy Rules 6004(h), 6006(d) or 7062 or any applicable provisions of the Local Rules, this Sale Order shall not be stayed after the entry hereof, but shall be effective and enforceable immediately upon entry, and the fourteen (14) day stay provided in Bankruptcy Rules 6004(h) and 6006(d) is hereby expressly waived and shall not apply.

16. This Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order.