

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11  
AEROCENTURY CORP., et al., :  
Debtors.<sup>1</sup> : Case No. 21-10636 (JTD)  
: (Jointly Administered)  
: Re: Docket Nos. 225, 266 and 282  
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**NOTICE OF FILING OF SECOND PLAN SUPPLEMENT TO THE  
COMBINED DISCLOSURE STATEMENT AND JOINT CHAPTER 11 PLAN OF  
AEROCENTURY CORP., AND ITS AFFILIATED DEBTORS**

**PLEASE TAKE NOTICE** that on July 14, 2021, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the solicitation version of the *Combined Disclosure Statement and Joint Chapter 11 Plan of AeroCentury Corp., and Its Affiliated Debtors* (as may be amended, supplemented, or modified from time to time, the “Combined Disclosure Statement and Plan”) [Docket No. 225], which was subsequently revised on August 26, 2021 [Docket No. 282]. By Order dated July 12, 2021 [Docket No. 222] (the “Interim Order”), the Court approved the Combined Disclosure Statement and Plan, on an interim basis, as containing adequate information within the meaning of section 1125 of the Bankruptcy Code, and authorized the Debtors to solicit votes to accept or reject the Combined Disclosure Statement and Plan. Pursuant to the Interim Order, a hearing to consider final approval and confirmation of the Combined Disclosure Statement and Plan is currently scheduled for August 31, 2021 at 10:00 a.m. (ET).

**PLEASE TAKE FURTHER NOTICE** that, on August 16, 2021, the Debtors filed the *Notice of Filing of Plan Supplement to the Combined Disclosure Statement and Joint Chapter 11 Plan of AeroCentury Corp., and Its Affiliated Debtors* [Docket No. 266] (the “Plan Supplement”).

**PLEASE TAKE FURTHER NOTICE** that in accordance with the Combined Disclosure Statement and Plan, the Debtors hereby file the second Plan Supplement (the “Second Plan Supplement”), which consists of the following documents, each as may be amended, modified, or supplemented from time to time:

<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.



| Exhibit | Second Plan Supplement Document                 |
|---------|---|
| K       | Revised Liquidation Analysis for Sponsored Plan |
| L       | JetFleet Holding Corp. Forecast                 |
| M       | JetFleet Holding Corp. Board of Directors       |

**PLEASE TAKE FURTHER NOTICE** that certain documents, or portions thereof, contained in this Second Plan Supplement remain subject to continuing negotiations among the Debtors and other interested parties. Subject to the terms and conditions of the Combined Disclosure Statement and Plan, the Debtors reserve all rights to amend, revise, or supplement this Second Plan Supplement, and any of the documents and designations contained herein, at any time before the Effective Date of the Combined Disclosure Statement and Plan, or any such other date as may be provided for by the Combined Disclosure Statement and Plan or by order of the Bankruptcy Court.

**PLEASE TAKE FURTHER NOTICE** that objections to approval and confirmation of the Combined Disclosure Statement and Plan on any grounds, including adequacy of the disclosures therein, if any, must (a) be in writing, (b) comply with the Bankruptcy Rules and the Local Rules, and (c) be filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, with a copy served upon the following: (i) the Debtors at 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010; (ii) co-counsel to the Debtors, (a) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Joseph M. Barry, Esq. (jbarry@ycst.com), Ryan M. Bartley, Esq. (rbartley@ycst.com), and Joseph M. Mulvihill, Esq. (jmulvihill@ycst.com), and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq. (lmarinuzzi@mofo.com) and Raff Ferraioli, Esq. (rferraioli@mofo.com); and (iii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Linda Casey, Esq. (linda.casey@usdoj.gov) by no later than 4:00 p.m. (prevailing Eastern Time) on August 23, 2021.

**PLEASE TAKE FURTHER NOTICE** that copies of the Combined Disclosure Statement Plan, the Plan Supplement, and this Second Plan Supplement may be obtained upon request of the undersigned counsel for the Debtors at the address specified below, and are on file with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, where they are available for review between the hours of 8:00 a.m. to 4:00 p.m. (ET). The Combined Disclosure Statement and Plan, the Plan Supplement, and this Second Plan Supplement are also available for inspection for a fee via PACER at <https://ecf.deb.uscourts.gov>, or free of charge on the website of the Debtors' claims and noticing agent, Kurtzman Carson Consultants LLC, dedicated to these chapter 11 cases, <https://kccllc.net/AeroCentury>.

Dated: August 30, 2021  
Wilmington, Delaware

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**EXHIBIT K**

**Revised Liquidation Analysis for Sponsored Plan**

|  | Book Value          | Chapter 7 Liquidation |                     |                     |            | Proposed Chapter 11  |                      |                     |             |
|--|---------------------|-----------------------|---------------------|---------------------|------------|----------------------|----------------------|---------------------|-------------|
|  |                     | Recovery Estimate \$  |                     | Recovery Estimate % |            | Recovery Estimate \$ |                      | Recovery Estimate % |             |
|  |                     | Low                   | High                | Low                 | High       | Low                  | High                 | Low                 | High        |
| <b>Assets</b>                                |                     |                       |                     |                     |            |                      |                      |                     |             |
| Cash and Cash Equivalents                    | \$ 1,495,917        | \$ 1,495,917          | \$ 1,495,917        | 100%                | 100%       | \$ 1,495,917         | \$ 1,495,917         | 100%                | 100%        |
| Accounts Receivable                          | -                   | -                     | -                   | -                   | -          | -                    | -                    | -                   | -           |
| Finance Lease Receivable                     | 1,026,000           | -                     | -                   | 0%                  | 0%         | 500,000              | 700,000              | 49%                 | 68%         |
| Aircraft and Aircraft Engines Held For Lease | -                   | -                     | -                   | -                   | -          | -                    | -                    | -                   | -           |
| Assets Held For Sale                         | 53,000              | -                     | 10,000              | 0%                  | 19%        | 10,000               | 25,000               | 19%                 | 47%         |
| Property, Equipment and Furnishings, net     | 10,800              | -                     | -                   | 0%                  | 0%         | -                    | -                    | 0%                  | 0%          |
| Office Lease Right Of Use                    | 114,800             | -                     | -                   | 0%                  | 0%         | -                    | -                    | 0%                  | 0%          |
| Deferred Tax Asset                           | 3,700               | -                     | -                   | 0%                  | 0%         | -                    | -                    | 0%                  | 0%          |
| Tax Receivable                               | 1,137,890           | 1,137,890             | 1,137,890           | 100%                | 100%       | 1,137,890            | 1,137,890            | 100%                | 100%        |
| JHC Series B Preferred Stock                 | 1,000,000           | -                     | -                   | 0%                  | 0%         | 1,000,000            | 1,000,000            | 100%                | 100%        |
| New Investment Proceeds                      | 11,000,000          | -                     | -                   | 0%                  | 0%         | 11,000,000           | 11,000,000           | 100%                | 100%        |
| <b>Total Assets</b>                          | <b>\$ 3,842,107</b> | <b>\$ 2,633,807</b>   | <b>\$ 2,643,807</b> | <b>69%</b>          | <b>69%</b> | <b>\$ 15,143,807</b> | <b>\$ 15,358,807</b> | <b>394%</b>         | <b>400%</b> |

**Chapter 7 Administrative Claims**

|   |                       |                     |                     |                     |
|---|-----------------------|---------------------|---------------------|---------------------|
| Chapter 7 Trustee Fees                          | \$ (79,014)           | \$ (79,314)         | \$ -                | \$ -                |
| Chapter 7 Professional Fees                     | (300,000)             | (150,000)           | -                   | -                   |
| Orderly Wind Down Costs                         | (750,000)             | (500,000)           | -                   | -                   |
| <b>Net Liquidation Adjustments</b>              | <b>\$ (1,129,014)</b> | <b>\$ (729,314)</b> | <b>\$ -</b>         | <b>\$ -</b>         |
| Chapter 11 Post-Emergence Cash Flow (Burn)      | \$ -                  | \$ -                | \$ (250,000)        | \$ (100,000)        |
| Funding to Consolidated Subsidiary              | \$ -                  | \$ -                | \$ (3,537,890)      | \$ (3,537,890)      |
| Emergence Cash Balance                          | \$ -                  | \$ -                | \$ (8,305,572)      | \$ (8,670,572)      |
| <b>Cash Proceeds Available For Distribution</b> | <b>\$ 1,504,793</b>   | <b>\$ 1,914,493</b> | <b>\$ 3,050,345</b> | <b>\$ 3,050,345</b> |

|                                  | Claim Amount | Recovery Estimate \$ |                     | Recovery Estimate % |      | Claim Amount | Recovery Estimate \$ |                     | Recovery Estimate % |      |
|----------------------------------|--------------|----------------------|---------------------|---------------------|------|--------------|----------------------|---------------------|---------------------|------|
|                                  |              | Low                  | High                | Low                 | High |              | Low                  | High                | Low                 | High |
| Administrative Claims            | \$ 960,345   | \$ 960,345           | \$ 960,345          | 100%                | 100% | \$ 960,345   | \$ 960,345           | \$ 960,345          | 100%                | 100% |
| Class 1 Priority Non-Tax Claims  | -            | -                    | -                   | 0%                  | 0%   | -            | -                    | -                   | 0%                  | 0%   |
| Class 2 Other Secured Claims     | -            | -                    | -                   | 0%                  | 0%   | -            | -                    | -                   | 0%                  | 0%   |
| Class 3 Prepetition Loan Claims  | -            | -                    | -                   | 0%                  | 0%   | -            | -                    | -                   | 0%                  | 0%   |
| Class 4 PPP Loan Claims          | 170,216      | 170,216              | 170,216             | 100%                | 100% | -            | -                    | -                   | 0%                  | 0%   |
| Class 5 General Unsecured Claims | 200,000      | 200,000              | 200,000             | 100%                | 100% | 90,000       | 90,000               | 90,000              | 100%                | 100% |
| Class 6 Intercompany Claims      | -            | -                    | -                   | 0%                  | 0%   | -            | -                    | -                   | 0%                  | 0%   |
| Class 7 Interests                | n/a          | 174,232              | 583,932             | n/a                 | n/a  | n/a          | 2,000,000            | 2,000,000           | n/a                 | n/a  |
|                                  |              | <b>\$ 1,504,793</b>  | <b>\$ 1,914,493</b> |                     |      |              | <b>\$ 3,050,345</b>  | <b>\$ 3,050,345</b> |                     |      |

## **LIQUIDATION ANALYSIS**

### **I. Introduction**

Under the “best interests” test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan unless the plan provides each holder of an allowed claim or interest that does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. To assess whether the Plan satisfies the best interests test, the Debtors, with the assistance of their advisors, have prepared the hypothetical liquidation analysis described herein (the “Liquidation Analysis”). The Liquidation Analysis sets forth an estimated range of recovery values for each Class of Claims and Interests upon disposition of Assets pursuant to a hypothetical chapter 7 liquidation as compared to recoveries under the Stand-Alone Plan. While recoveries under the Sponsored Plan are uncertain as of the filing of this Liquidation Analysis, such recoveries would necessarily be greater than those under the Stand-Alone Plan. The Liquidation Analysis is based on certain assumptions discussed in the combined Disclosure Statement and Plan and in the accompanying notes to the Liquidation Analysis. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the combined Disclosure Statement and Plan to which this Liquidation Analysis is attached.

### **II. Statement of Limitations**

The preparation of a liquidation analysis, such as this Liquidation Analysis, is an uncertain process involving the use of estimates and assumptions that, although considered reasonable by the Debtors, based upon their business judgment and input from their advisors, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies, most of which are difficult to predict and many of which are beyond the control of the Debtors or their advisors. The values stated herein have not been subject to any review, compilation or audit by any independent accounting firm. In addition, various liquidation decisions upon which certain assumptions are based are subject to change. As a result, the actual amount of claims against the Debtors’ Estates could vary significantly from the estimates stated herein, depending on the nature and amount of claims asserted during the pendency of a chapter 7 case. Similarly, the value of the Debtors’ Assets in a liquidation scenario is uncertain and could vary significantly from the values set forth in the Liquidation Analysis. The Liquidation Analysis was prepared for the sole purpose of generating a reasonably good faith estimate of the proceeds that would be generated if the Debtors’ Assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. Accordingly, neither the Debtors nor their advisors make any representation or warranty that the actual results would or would not approximate the estimates and assumptions reflected in the Liquidation Analysis. Actual results could vary materially.

Nothing contained in the Liquidation Analysis is intended to be or constitutes a concession or admission by the Debtors. The actual amount of allowed claims in the Chapter 11 Cases could materially differ from the estimated amounts set forth in the Liquidation Analysis.

### III. Liquidation Date and Appointment of a Chapter 7 Trustee

The Liquidation Analysis represents an estimate of recovery values based upon a hypothetical liquidation of the Debtors' Estates if the Chapter 11 Cases were converted to a case under chapter 7 of the Bankruptcy Code on September 30, 2021 (the "Conversion Date") and a chapter 7 trustee (the "Trustee") was appointed to convert all Assets into Cash. In this hypothetical scenario, the Trustee would satisfy Claims by converting all of the Assets of the Debtors into cash by selling all remaining certain Assets owned by the Debtors as in a rapid sale. There can be no assurance that the recoveries realized from the sale of the Assets would, in fact, approximate the amounts reflected in this Liquidation Analysis. Under section 704 of the Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the Estate as expeditiously as possible (generally at distressed prices), taking into account the best interests of stakeholders.

### IV. Global Notes and Assumptions

The Liquidation Analysis should be read in conjunction with the following notes and assumptions:

- a. *Dependence on Assumptions.* The Liquidation Analysis depends on a number of estimates and assumptions that, although developed and considered reasonable by management and the Debtors' advisors, are inherently subject to significant economic, business, regulatory, and competitive uncertainties and contingencies beyond the control of the Debtors or their management. The Liquidation Analysis is also based on the Debtors' best judgment of how numerous decisions in the liquidation process would be resolved. Accordingly, there can be no assurance that the values reflected in this Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation and actual results could vary materially and adversely from those contained herein.
- b. *Additional Claims.* The cessation of business in a liquidation is likely to trigger certain Claims that otherwise would not exist under a plan. Examples of these kinds of Claims include various potential tax liabilities, claims related to the rejection of unexpired leases and executory contracts and other potential Allowed Claims. Some of these Claims could be significant and may be entitled to priority in payment over General Unsecured Claims. Those priority claims would be Paid in Full before any proceeds from liquidation would be made available to pay General Unsecured Claims or to make any Distribution in respect of equity interests.
- c. *Dependence on Unaudited Financial Statements.* This Liquidation Analysis is based, in part, on unaudited financial statements, which may differ from actual results.
- d. *Preference or Fraudulent Transfers.* No recovery or related litigation costs have been attributed to any potential avoidance actions under the Bankruptcy Code, including potential preference or fraudulent transfer actions due to, among other issues, uncertainty and anticipated disputes about these matters.
- e. *Chapter 11 Process.* The Liquidation Analysis assumes that the Debtors' Chapter 11 Cases will be converted to a case under chapter 7 of the Bankruptcy Code at approximately the time of the Debtors' projected hearing on confirmation of the Plan, on or about September 30, 2021.

- f. *Valuation and Timeline.* The Liquidation Analysis is based on the book values of the Debtors' Assets and liabilities as of May 31, 2021, or more recent values where available, or as estimated based on the most recent cashflow forecast. The Debtors' management team believes that the May 31, 2021 book value of Assets and certain liabilities are a proxy for such book values as of the Liquidation Date. This Liquidation Analysis assumes the Debtors' remaining Assets will be sold in a [rapid sale under a three-month liquidation process (the "Liquidation Timeline")] under the direction of the Trustee, utilizing the Debtors' resources and third-party advisors. During this period, the Debtors would [continue to operate] while the Assets are marketed and sold. Following the liquidation of the Debtors' primary Assets, the remaining operations of the Debtors would be wound down by the Chapter 7 Trustee over a period of three to four months (the "Wind-Down Period"). The Liquidation Analysis is also based on the assumptions that the Debtors have continued access to: (i) cash collateral during the course of the Liquidation Timeline and the wind-down of the Estates to fund wind down expenses and (ii) accounting, treasury, IT, investor relations and other management services needed to wind down the Estates.
- g. *Gross Proceeds.* This Liquidation Analysis assumes that the Cash amount (the "Gross Proceeds") that would be available for satisfaction of allowed claims and interests would consist of the net proceeds resulting from the disposition of the Assets and properties of the Debtors, augmented by the Cash held by the Debtors at the time of the commencement of the liquidation activities.
- h. *Distribution of Net Proceeds.* This Liquidation Analysis assumes that Gross Proceeds would be distributed in accordance with the absolute priority rule found in sections 726 and 1129(b) of the Bankruptcy Code. Such cash amount would be distributed, in accordance with, and as required by, applicable law: (i) first, for payment of liquidation and wind down expenses, trustee fees, and professional fees attributable to the liquidation and wind down (together, the "Wind Down Expenses"); (ii) second, to pay the costs and expenses of other administrative and certain priority tax claims that may arise from the termination of the Debtors' operations; (iii) third, to pay the amounts allowed on other priority claims; (iv) fourth, to pay amounts on allowed on other secured claims; and (v) fifth, to pay any amounts on Allowed General Unsecured Claims (including any remaining PPP Loan Claims). Any remaining net cash would be distributed to creditors Holders of Interests. Recoveries from the potential causes of action have not been estimated for the Liquidation Analysis.

## **V. Conclusion**

The Debtors have determined, as summarized in the following analysis, that confirmation of the Plan will provide all creditors with a recovery equal to or greater than the amount they would receive pursuant to a liquidation of the Debtors' Assets under chapter 7 of the Bankruptcy Code.

## **VI. Consolidated Analysis**

Asset recovery estimates presented in this Liquidation Analysis are based on the Debtors' unaudited balance sheet as of May 31, 2021 and updated where noted. The following Liquidation Analysis should be reviewed in conjunction with the associated notes.



**Notes to Liquidation Analysis**

- A. *Cash and Short-Term Investments*: Represents estimated pro forma cash balance as of the Conversion Date and based on the current cash flow forecast.
- B. *Finance Lease Receivable*: Represents estimated realizable value of one (1) unencumbered aircraft not included in the sale to Drake Asset Management Limited
- C. *Assets Held For Sale*: Included certain spare aircraft parts not included in the sale to Worthington Aviation LLC
- D. *Tax Receivable*: Represents income tax refund payable to one of the Debtors' wholly owned foreign subsidiaries
- E. *JHC Series B Preferred Stock*: Represents aggregate amount redeemable to Legacy ACY Shareholders
- F. *New Investment Proceeds*: Represents total investment amount funded in connection with the Plan Sponsor Agreement
- G. *Chapter 7 Trustee Fees*: The Liquidation Analysis includes trustee fees of 3% on all noncash Asset sale proceeds.
- H. *Chapter 7 Professional Fees*: The chapter 7 professional fees include estimated costs for legal counsel retained by the chapter 7 Trustee.
- I. *Orderly Wind-Down Costs*: Includes costs associated with wind-down activities including, but not limited to, reconciling claims, public reporting obligations and winding down the Estates.
- J. *Chapter 11 Post-Emergence Costs*: Reflects operating costs incurred from the period following the emergence from bankruptcy through monetization of all remaining Assets.
- K. *JHC Series A Preferred Stock Funding*: Includes (i) purchase of JHC Series A Preferred Stock Funding, (ii) transfer of tax refund proceeds to JHC and (iii) remaining cash balance in JHC wholly owned non-Debtor subsidiaries.
- L. *Emergence Cash Balance*: Represents forecasted the Reorganized Debtors' cash balance before payment of claims pursuant to the Plan of Reorganization
- M. *Administrative Claims*: Administrative claims relate to estimated unpaid post-petition professional fees totaling \$1.0 million as of September 30, 2021. All other post-petition expenses incurred to monetize non-cash assts are fully accounted for within the pro-forma cash balance.

- N. *PPP Loan Claims*: The low end of the range anticipates that the Debtors' remaining PPP Loan will be forgiven prior to conversion to Chapter 7. The high end of the range assumes that the Loan is outstanding as of the Conversion Date.
- O. *General Unsecured Creditor Claims*: General Unsecured Creditor claims include ordinary course trade payable claims and reflects amounts not expected paid through one of the first day motions or as of the Chapter 7 Conversion Date
- P. *Equity Interests*: Reflects potential recovery to holders of the Debtor AeroCentury's common stock (NYSEAM:ACY) excluding the value of stock retained by holders in connection with the Plan Sponsor Agreement

**EXHIBIT L**

**JetFleet Holding Corp. Forecast**

|                                    | 1 Month Ended |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | Sep-21        | Oct-21       | Nov-21       | Dec-21       | Jan-22       | Feb-22       | Mar-22       | Apr-22       | May-22       | Jun-22       | Jul-22       | Aug-22       | Sep-22       | Oct-22       | Nov-22       | Dec-22       |
| Beginning Cash Balance             | \$ -          | \$ 1,807,500 | \$ 1,596,313 | \$ 2,923,015 | \$ 2,711,828 | \$ 2,486,440 | \$ 2,261,053 | \$ 2,035,665 | \$ 1,810,278 | \$ 1,584,890 | \$ 1,359,503 | \$ 1,134,115 | \$ 908,728   | \$ 683,340   | \$ 457,953   | \$ 233,984   |
| <b>Cash Receipts</b>               |               |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Investment Proceeds                | \$ 2,000,000  | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Tax Refund                         | -             | -            | 1,137,890    | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| UK Cash Proceeds                   | -             | -            | 400,000      | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total Receipts                     | \$ 2,000,000  | \$ -         | \$ 1,537,890 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Operating Expenses</b>          |               |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| <i>JMC</i>                         |               |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Salaries and Payroll Taxes         | \$ (192,500)  | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (132,500) | \$ (131,250) | \$ (131,250) |
| Benefits                           | -             | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,888)     | (17,719)     | (17,719)     |
| FAL                                | -             | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      | (8,900)      |
| General and Administrative         | -             | (37,600)     | (37,600)     | (37,600)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     | (51,800)     |
| Depreciation                       | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Insurance                          | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Board Fees                         | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest                           | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other                              | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total JMC Expenses                 | \$ (192,500)  | \$ (196,888) | \$ (196,888) | \$ (196,888) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (211,088) | \$ (209,669) | \$ (209,669) |
| <i>JFC</i>                         |               |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Salaries and Benefits              | \$ -          | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  | \$ (11,000)  |
| General and Administrative         | -             | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      | (3,300)      |
| Other                              | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total JFC Expenses                 | \$ -          | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  | \$ (14,300)  |
| <b>Non-Operating Disbursements</b> |               |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Interest Expense / Dividends       | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Principal Repayment / Redemption   | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Other Fees/Expenses                | -             | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Total Non-Operating Disbursements  | \$ -          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Net Cash Flow</b>               | \$ -          | \$ 1,807,500 | \$ (211,188) | \$ 1,326,703 | \$ (211,188) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (225,388) | \$ (223,969) | \$ (223,969) |
| <b>Ending Cash Balance</b>         | \$ -          | \$ 1,807,500 | \$ 1,596,313 | \$ 2,923,015 | \$ 2,711,828 | \$ 2,486,440 | \$ 2,261,053 | \$ 2,035,665 | \$ 1,810,278 | \$ 1,584,890 | \$ 1,359,503 | \$ 1,134,115 | \$ 908,728   | \$ 683,340   | \$ 457,953   | \$ 233,984   |

**EXHIBIT M**

**JetFleet Holding Corp. Board of Directors**

Christopher Tigno

Michael Magnusson

Harold Lyons