

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

-----X
In re : Chapter 11
AEROCENTURY CORP., *et al.*, :
Debtors.¹ : Case No. 21-10636 (JTD)
: (Jointly Administered)
: Re: Docket No. 7
-----X

**INTERIM ORDER (I) APPROVING NOTIFICATION AND HEARING PROCEDURES
FOR CERTAIN TRANSFERS OF AND DECLARATIONS OF WORTHLESSNESS
WITH RESPECT TO COMMON STOCK, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”) of the Debtors for an order establishing certain notice and hearing procedures that must be satisfied before certain shareholders may make transfers of, or worthlessness deductions with respect to, common stock (the “Common Stock”) in AeroCentury Corp.; 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 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:

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.



IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein on an interim basis.
2. Objections to entry of an order granting the Motion on a final basis must be filed by April 16, 2021, at 4:00 p.m. (ET) and served on: (i) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (ii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iii) counsel to the prepetition lender, Vedder Price, P.C., 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane. A final hearing, if required, on the Motion will be held on April 26, 2021, at 2:00 p.m. (ET). If no objections are filed to the Motion, this Court may enter a final order without further notice or hearing.
3. The purchase, sale, or other transfer of, or the taking of any worthlessness deduction with respect to, Common Stock in violation of the procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Section 362.
4. The following procedures and notices are approved and shall apply to transfers of Common Stock (the “Equity Transfer Procedures”):
 - (a) Any person or entity (as defined in Treasury Regulations section 1.382-3(a)) who currently is or hereafter becomes a Substantial Shareholder (as such term is defined in paragraph (e) below) must file with the Court, and serve upon (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street,

Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender Vedder Price, P.C., 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the Bankruptcy Code in the Chapter 11 Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”), a notice of such status, in substantially the form attached to the Motion as **Exhibit C**, on or before the later of (i) twenty (20) calendar days after entry of this Interim Order or (ii) ten (10) days after becoming a Substantial Shareholder.

- (b) At least twenty (20) calendar days prior to effectuating any transfer of Common Stock (including options to acquire Common Stock, as defined in paragraph (e) below) that would result in an increase in the amount of Common Stock beneficially owned by a Substantial Shareholder, or would result in a person or entity becoming a Substantial Shareholder, such Substantial Shareholder, person or entity must file with the Court, and serve upon the Notice Parties, an advance written notice of the intended transfer of Common Stock, in substantially the form attached to the Motion as **Exhibit D** (each a “Notice of Intent to Purchase, Acquire, or Otherwise Accumulate”).
- (c) At least twenty (20) calendar days prior to effectuating any transfer of Common Stock (including options to acquire Common Stock) that would result in a decrease in the amount of Common Stock beneficially owned by a Substantial Shareholder, or would result in a person or entity ceasing to be a Substantial Shareholder, such Substantial Shareholder, person or entity must file with the Court, and serve upon the Notice Parties, an advance written notice of the intended transfer of Common Stock, in substantially the form attached to the Motion as **Exhibit E** (each a “Notice of Intent to Sell, Trade, or Otherwise Transfer” and, collectively with each Notice of Intent to Purchase, Acquire, or Otherwise Accumulate, a “Notice of Proposed Transfer”).
- (d) The Debtors (and any other parties in interest) shall have twenty (20) calendar days after receipt of a Notice of Proposed Transfer to file with the Court and serve upon such Substantial Shareholder, person or entity an objection to any proposed transfer of Common Stock described in the Notice of Proposed Transfer on the grounds that such transfer might adversely affect the Debtors’ ability to utilize their Tax Attributes. If the Debtors (or any other parties in interest) file an objection, such transfer would not be effective unless approved by a final and non-appealable order of the Court. If no objection is filed within such 20-day period, such transfer shall be permitted to proceed solely as set forth in the Notice of Proposed Transfer. Further transfers within the scope of this paragraph (d) shall be

the subject of additional notices as set forth herein, with additional 20-day waiting periods.

- (e) For purposes of these procedures: (i) a “Substantial Shareholder” is any person or entity that beneficially owns in excess of: 73,429 shares of Common Stock (representing approximately 4.75% of all issued and outstanding shares of Common Stock); (ii) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (A) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (B) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (C) ownership of shares which such holder has an option to acquire; and (iii) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.
- (f) Effective as of the Petition Date and until further order of the Court to the contrary, any purchase, sale, or other transfer of beneficial ownership of Common Stock, including options to acquire Common Stock, in violation of these procedures shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Section 362.

5. The following restrictions shall apply to taking worthlessness deductions, for income tax purposes, with respect to Common Stock (the “Worthless Stock Deduction Procedures”):

- (a) Any person or entity that currently is or becomes a 50-percent Shareholder (as such term is defined in paragraph (d) below) must file with the Court, and serve upon the Notice Parties, a notice of such status, in substantially the form attached to the Motion as **Exhibit F**, on or before the later of (i) twenty (20) calendar days after entry of this Interim Order or (ii) ten (10) days after becoming a 50-percent Shareholder.
- (b) At least twenty-eight (28) calendar days prior to filing any income tax return, or any amendment to such a return, taking any worthlessness deduction with respect to Common Stock for a tax year ending before the Debtors’ emergence from chapter 11 protection, such 50-percent

Shareholder must file with the Court, and serve upon the Notice Parties, an advance written notice of the intended worthlessness deduction, in substantially the form attached to the Motion as **Exhibit G** (each a “Notice of Intent to Take a Worthless Stock Deduction”).

- (c) The Debtors (and any other parties in interest) shall have twenty (20) calendar days after receipt of a Notice of Intent to Take a Worthless Stock Deduction to file with the Court and serve upon such 50-percent Shareholder an objection to any proposed worthlessness deduction described in the Notice of Intent to Take a Worthless Stock Deduction on the grounds that such deduction might adversely affect the Debtors’ ability to utilize their Tax Attributes. If the Debtors (or any other parties in interest) file an objection, the filing of the income tax return with such deduction would not be permitted or effective unless approved by a final and non-appealable order of the Court. If no objection is filed within such 20-day period, the filing of the income tax return with such deduction shall be permitted as set forth in the Notice of Intent to Take a Worthless Stock Deduction. Additional income tax returns within the scope of this paragraph (c) shall be the subject of additional notices as set forth herein, with additional 20-day waiting periods.
- (d) For purposes of these procedures: (i) a “50-percent Shareholder” is any person or entity that at any time during the three-year period ending on the Petition Date has had beneficial ownership of 50% or more of Common Stock or is otherwise considered a 50-percent shareholder of AeroCentury within the meaning of Section 382(g)(4)(D) of the Tax Code; (ii) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Tax Code, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (A) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (B) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (C) ownership of shares which such holder has an option to acquire; and (iii) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.
- (e) In the event that a 50-percent Shareholder takes a worthlessness deduction with respect to AeroCentury common stock in violation of these procedures, such worthlessness deduction shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Section 362, and

such 50-percent Shareholder shall be required to file an amended income tax return, as applicable, revoking such worthlessness deduction.

6. The Debtors may waive, in writing, and in their sole and absolute discretion, any and all restrictions, stays, and notification procedures contained in this Interim Order.

7. Within three (3) business days of entry of this Interim Order, the Debtors shall serve a notice in substantially the form attached to the Motion as **Exhibit H** (the “Notice of Order”) to: (i) the United States Trustee for the District of Delaware; (ii) the holders of the twenty (20) largest unsecured claims against the Debtors; (iii) counsel to the prepetition lender; (iv) the United States Attorney’s Office for the District of Delaware; (v) the Internal Revenue Service; (vi) the Securities and Exchange Commission; (vii) any directly registered and record holders of outstanding Common Stock (with instructions to serve down to beneficial holders, as applicable); (viii) the transfer agents for the Common Stock; and (ix) all parties requesting notice pursuant to Bankruptcy Rule 2002. No further notice of entry of this Interim Order need be served by the Debtors.

8. The requirements set forth in this Interim Order are in addition to the requirements of Bankruptcy Rules 3001 and 3002 and all applicable securities, corporate and other laws, and do not waive compliance or excuse non-compliance therewith.

9. The requirements set forth in this Interim Order are in addition to the requirements of all applicable laws and do not excuse compliance therewith.

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

11. This Interim Order and the Equity Transfer Procedures and the Worthless Stock Deduction Procedures approved herein shall remain in full force and effect until such time as the Court enters a final order with respect to the Motion.

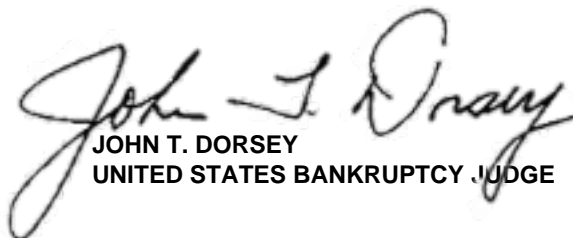
12. Entry of this Interim Order is without prejudice to the right to any party to seek to shorten any of the time periods for filing and serving any notices or objections required hereunder.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order.

15. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: March 31st, 2021
Wilmington, Delaware



JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

Notice as Status as a Substantial Shareholder

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

	X		
	:		
In re	:		Chapter 11
	:		
AEROCENTURY CORP., <i>et al.</i> ,	:		Case No. 21-10636 (JTD)
	:		
Debtors. ¹	:		(Jointly Administered)
	:		
	X		

NOTICE OF STATUS AS A SUBSTANTIAL SHAREHOLDER

PLEASE TAKE NOTICE that [Name of Substantial Shareholder] [is/has become] a Substantial Shareholder² with respect to the common stock in AeroCentury Corp. (“AeroCentury”) (the “Common Stock”), a debtor and debtor in possession in Case No. 21-10636 (JTD) pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, as of [Date], [Name of Substantial Shareholder] beneficially owns [] shares of Common Stock. The following table sets forth the date(s) on which [Name of Substantial Shareholder] acquired or otherwise became the beneficial owner of such Common Stock:

Number of Shares	Date Acquired

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 For purposes of these procedures: (a) a “Substantial Shareholder” is any person or entity that beneficially owns in excess of 73,429 shares of Common Stock (representing approximately 4.75% of all issued and outstanding shares of Common Stock); (b) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock; and (iii) ownership of shares which such holder has an option to acquire, and (c) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of Substantial Shareholder] is [_____].

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of Substantial Shareholder] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice, are true, correct, and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain [Interim/Final] Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with respect to Common Stock, and (II) Granting Related Relief, this Notice is being (a) filed with the Bankruptcy Court, 824 Market Street, Wilmington, Delaware, 19801 and (b) served upon (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender, Vedder Price, P.C., 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the Bankruptcy Code in the Chapter 11 Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002.

[Name of Substantial Shareholder]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT D

Notice of Intent to Purchase, Acquire, or Otherwise Accumulate

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

	-X	:	
In re	:	:	Chapter 11
	:	:	
AEROCENTURY CORP., <i>et al.</i> ,	:	:	Case No. 21-10636 (JTD)
	:	:	
Debtors. ¹	:	:	(Jointly Administered)
	:	:	
	-X		

NOTICE OF INTENT TO PURCHASE, ACQUIRE, OR OTHERWISE ACCUMULATE

PLEASE TAKE NOTICE that [Name of Prospective Acquirer] hereby provides notice of its intention to purchase, acquire, or otherwise accumulate one or more shares of the common stock (the “Common Stock”), or an option with respect thereto (the “Proposed Transfer”) of AeroCentury Corp. (“AeroCentury”), a debtor and debtor in possession in Case No. 21-10636 (____) pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], [Name of Prospective Acquirer] filed a Notice of Status as a Substantial Shareholder² with the Bankruptcy Court and served copies thereof on (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender, Vedder Price, P.C., 222 North LaSalle Street, Chicago, Illinois 60601, Attn:

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 For purposes of these procedures: (a) a “Substantial Shareholder” is any person or entity that beneficially owns in excess of 73,429 shares of Common Stock (representing approximately 4.75% of all issued and outstanding shares of Common Stock); (b) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock; and (iii) ownership of shares which such holder has an option to acquire, and (c) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the Bankruptcy Code in the Chapter 11 Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”).

PLEASE TAKE FURTHER NOTICE that [Name of Prospective Acquirer] currently beneficially owns [] shares of the Common Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, [Name of Prospective Acquirer] proposes to purchase, acquire, or otherwise accumulate [] shares of the Common Stock, or an option with respect to [] shares of the Common Stock. If the Proposed Transfer is permitted to occur, [Name of Prospective Acquirer] will beneficially own [] shares of the Common Stock after the transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of Prospective Acquirer] is [].

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of Prospective Acquirer] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain [Interim/Final] Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with respect to Common Stock, and (II) Granting Related Relief, this Notice is being (a) filed with the Bankruptcy Court, 824 Market Street, Wilmington, Delaware, 19801 and (b) served upon the Notice Parties.

PLEASE TAKE FURTHER NOTICE that the Debtors (and other parties in interest) have twenty (20) calendar days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors (or any other parties in interest) file an objection, such Proposed Transfer will not be effective unless approved by a final and non-appealable order of the Bankruptcy Court. If no objection is filed within such 20-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Notice.

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PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by [Name of Prospective Acquirer] that may result in [Name of Prospective Acquirer] purchasing, acquiring or otherwise accumulating additional shares of the Common Stock (or an option with respect thereto) will each require an additional notice filed with the Court to be served in the same manner as this Notice.

[Name of Prospective Acquirer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT E

Notice of Intent to Sell, Trade, or Otherwise Transfer

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

	-X	:	
In re	:		Chapter 11
AEROCENTURY CORP., <i>et al.</i> ,	:		Case No. 21-10636 (JTD)
Debtors. ¹	:		(Jointly Administered)
	:		
	-X		

NOTICE OF INTENT TO SELL, TRADE, OR OTHERWISE TRANSFER

PLEASE TAKE NOTICE that [Name of Prospective Seller] hereby provides notice of its intention to sell, trade, or otherwise transfer shares of the common stock (the “Common Stock”), or an option with respect thereto (the “Proposed Transfer”) of AeroCentury Corp.. (“AeroCentury”), a debtor and debtor in possession in Case No. 21-10636 (JTD) pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], [Name of Prospective Seller] filed a Notice of Status as a Substantial Shareholder² with the Bankruptcy Court and served copies thereof on (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender Vedder Price, P.C. 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the

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 For purposes of these procedures: (a) a “Substantial Shareholder” is any person or entity that beneficially owns in excess of 73,429 shares of Common Stock (representing approximately 4.75% of all issued and outstanding shares of Common Stock); (b) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (iii) ownership of shares which such holder has an option to acquire; and (c) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

Bankruptcy Code in the Chapter 11 Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”).

PLEASE TAKE FURTHER NOTICE that [Name of Prospective Seller] currently beneficially owns [] shares of the Common Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, [Name of Prospective Seller] proposes to sell, trade, or otherwise transfer [] shares of the Common Stock, or an option with respect to [] shares of the Common Stock. If the Proposed Transfer is permitted to occur, [Name of Prospective Seller] will beneficially own [] shares of the Common Stock after the transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of Prospective Seller] is [].

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of Prospective Seller] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain [Interim/Final] Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with respect to Common Stock, and (II) Granting Related Relief, this Notice is being (a) filed with the Bankruptcy Court, 824 Market Street, Wilmington, Delaware, 19801 and (b) served upon the Notice Parties.

PLEASE TAKE FURTHER NOTICE that the Debtors (and other parties in interest) have twenty (20) calendar days after receipt of this Notice to object to the Proposed Transfer described herein. If the Debtors (or other parties in interest) file an objection, such Proposed Transfer will not be effective unless approved by a final and non-appealable order of the Bankruptcy Court. If no objection is filed within such 20-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by [Name of Prospective Seller] that may result in [Name of Prospective Seller] selling, trading, or otherwise transferring shares of the Common Stock (or an option with respect thereto) will each require an additional notice filed with the Bankruptcy Court to be served in the same manner as this Notice.

[Name of Prospective Seller]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT F

Notice of Status as a 50-Percent Shareholder

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

	-X	:	
	:		
In re	:		Chapter 11
	:		
AEROCENTURY CORP., <i>et al.</i> ,	:		Case No. 21-10636 (JTD)
	:		
Debtors. ¹	:		(Jointly Administered)
	:		
	-X		

NOTICE OF STATUS AS 50-PERCENT SHAREHOLDER

PLEASE TAKE NOTICE that [Name of 50-percent Shareholder] [is/has become] a 50-percent Shareholder² with respect to the common stock (the “Common Stock”) or of AeroCentury Corp. (“AeroCentury”), a debtor and debtor in possession in Case No. 21-10636 (JTD) pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, as of [Date], [Name of 50-percent Shareholder] beneficially owns [] shares of the Common Stock. The following table sets forth the date(s) on which [Name of 50-percent Shareholder] acquired or otherwise became the beneficial owner of such Common Stock:

Number of Shares	Date Acquired

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 For purposes of these procedures: (a) a “50-percent Shareholder” is any person or entity that at any time during the three-year period ending on the Petition Date has had beneficial ownership of 50% or more of the Common Stock or is otherwise considered a 50-percent shareholder of AeroCentury within the meaning of Section 382(g)(4)(D) of the Internal Revenue Code of 1986, as amended (the “Tax Code”); (b) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Tax Code, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (iii) ownership of shares which such holder has an option to acquire; and (c) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of 50-percent Shareholder] is [_____].

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of 50-percent Shareholder] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct, and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain [*Interim/Final*] *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with respect to Common Stock, and (II) Granting Related Relief*, this Notice is being (a) filed with the Bankruptcy Court, 824 Market Street, Wilmington, Delaware, 19801 and (b) served upon (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender Vedder Price, P.C., 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the Bankruptcy Code in the Chapter 11 Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002.

[Name of 50-percent Shareholder]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT G

Notice of Intent to Take a Worthless Stock Deduction

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

	-X	:	
	:	:	
In re	:	:	Chapter 11
	:	:	
AEROCENTURY CORP., <i>et al.</i> ,	:	:	Case No. 21-10636 (JTD)
	:	:	
Debtors. ¹	:	:	(Jointly Administered)
	:	:	
	-X		

NOTICE OF INTENT TO TAKE A WORTHLESS STOCK DEDUCTION

PLEASE TAKE NOTICE that [Name of Prospective Claimant] hereby provides notice of its intention to take a worthlessness deduction (the “Proposed Worthless Claim”) with respect to shares of the common stock (the “Common Stock”) of AeroCentury Corp. (“AeroCentury”), a debtor and debtor in possession in Case No. 21-10636 (JTD) pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [Prior Date(s)], [Name of Prospective Claimant] filed a Notice of Status as a 50-percent Shareholder² with the Bankruptcy Court and served copies thereof on (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender, Vedder Price, P.C. 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the Bankruptcy Code in the Chapter 11

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 For purposes of these procedures: (a) a “50-percent Shareholder” is any person or entity that at any time during the three-year period ending on the Petition Date has had beneficial ownership of 50% or more of the Common Stock or is otherwise considered a 50-percent shareholder of AeroCentury within the meaning of Section 382(g)(4)(D) of the Internal Revenue Code of 1986, as amended; (b) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Tax Code, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (iii) ownership of shares which such holder has an option to acquire; and (c) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”).

PLEASE TAKE FURTHER NOTICE that [Name of Prospective Claimant] currently beneficially owns [] shares of the Common Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Worthless Claim, [Name of Prospective Claimant] proposes to declare for income tax purposes that [] shares of the Common Stock became worthless during the tax year ending [].

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of [Name of Prospective Claimant] is [].

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, [Name of Prospective Claimant] hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct and complete in all respects.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain [*Interim/Final*] *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with respect to Common Stock, and (II) Granting Related Relief*, this Notice is being (a) filed with the Bankruptcy Court, 824 Market Street, Wilmington, Delaware, 19801 and (b) served upon the Notice Parties.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, [Name of Prospective Claimant] acknowledges that it is enjoined from filing an income tax return with respect to the Proposed Worthless Claim unless and until [Name of Prospective Claimant] complies with the procedures set forth in the Order, but the undersigned 50-percent Shareholder otherwise reserves all rights regarding the Order or the motion granted prior thereto.

PLEASE TAKE FURTHER NOTICE that the Debtors (and other parties in interest) have twenty (20) calendar days after receipt of this Notice to object to the Proposed Worthless Claim described herein. If the Debtors (or other parties in interest) file an objection, such Proposed Worthless Claim will not be permitted or effective unless approved by a final and non-appealable order of the Bankruptcy Court. If no objection is filed within such 20-day period, then after expiration of such period the Proposed Worthless Claim may proceed solely as set forth in this Notice.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by [Name of Prospective Claimant] that may result in [Name of Prospective Claimant] filing an income tax return with respect to a Proposed Worthless Claim will each require an additional notice filed with the Court to be served in the same manner as this Notice.

[Name of Prospective Claimant]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

EXHIBIT H

Notice of Order

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

	X	
	:	
In re	:	Chapter 11
	:	
AEROCENTURY CORP., <i>et al.</i> ,	:	Case No. 21-10636 (JTD)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	X	

**NOTICE OF (I) NOTIFICATION PROCEDURES APPLICABLE TO SUBSTANTIAL
SHAREHOLDERS AND 50-PERCENT SHAREHOLDERS OF AEROCENTURY CORP.
COMMON STOCK, (II) NOTIFICATION AND HEARING PROCEDURES FOR
TRANSFERRING AEROCENTURY CORP. COMMON STOCK, (III) NOTIFICATION
AND HEARING PROCEDURES FOR TAKING A WORTHLESSNESS DEDUCTION
WITH RESPECT TO AEROCENTURY CORP. COMMON STOCK, AND (IV)
ALLOWING A HEARING ON THE PROSPECTIVE APPLICATION THEREOF**

**TO: CERTAIN PERSONS OR ENTITIES WITH COMMON STOCK IN
AEROCENTURY CORP.**

PLEASE TAKE NOTICE that on March 29, 2021 (the “Petition Date”), AeroCentury Corp. (“AeroCentury”) and its above-captioned affiliates (collectively, the “Debtors”), commenced chapter 11 cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the “Bankruptcy Code”). Subject to certain exceptions, Bankruptcy Code Section 362 operates as a stay of any act to obtain possession of property of the Debtors’ estates or to exercise control over property of the Debtors’ estates.

PLEASE TAKE FURTHER NOTICE that on March 29, 2021, the Debtors filed a motion (the “Motion”) seeking entry of an order pursuant to Bankruptcy Code Sections 105(a), 362(a)(3), and 541 establishing certain notice and hearing procedures that must be satisfied before certain shareholders may make transfers of, or worthlessness deductions with respect to, common stock in AeroCentury (the “Common Stock”).

PLEASE TAKE FURTHER NOTICE that on _____, 2021, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an interim order approving the procedures set forth in the Motion to preserve the Debtors’ ability to fully utilize their Tax Attributes (as defined in the Motion) pursuant to Bankruptcy Code Sections 105(a), 362(a)(3), and 541 (the “Interim Order”). Capitalized terms used but not defined herein

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.

shall have the same meanings ascribed to them in the Interim Order, unless otherwise stated. Any purchase, sale, or other transfer of, or the taking of any worthlessness deduction with respect to, Common Stock in violation of the procedures set forth below shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Section 362.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, the following procedures shall apply to owning and transferring Common Stock (the “Equity Transfer Procedures”):²

- (a) Any person or entity (as defined in Treasury Regulations section 1.382-3(a)) who currently is or hereafter becomes a Substantial Shareholder (as such term is defined in paragraph (e) below) must file with the Bankruptcy Court, and serve upon (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010, Attn: Christopher B. Tigno, Esq.; (ii) proposed 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., and Ryan M. Bartley, Esq., and (b) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601, Attn: Lorenzo Marinuzzi, Esq., and Erica J. Richards, Esq.; (iii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey, Esq.; and (iv) counsel to the prepetition lender, Vedder Price 222 North LaSalle Street, Chicago, Illinois 60601, Attn: Neil Poland and David L. Kane; (v) counsel to any committee appointed under section 1102 of the Bankruptcy Code in the Chapter 11 Cases; and (vi) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”), a notice of such status (each a “Notice of Status as Substantial Shareholder”) on or before the later of (i) twenty (20) calendar days after entry of the Interim Order or (ii) ten (10) days after becoming a Substantial Shareholder.
- (b) At least twenty (20) calendar days prior to effectuating any transfer of Common Stock (including options to acquire Common Stock, as defined in paragraph (e) below) that would result in an increase in the amount of Common Stock beneficially owned by a Substantial Shareholder, or would result in a person or entity becoming a Substantial Shareholder, such Substantial Shareholder, person or entity must file with the Bankruptcy Court, and serve upon the Notice Parties, an advance written notice of the intended transfer of Common Stock (each a “Notice of Intent to Purchase, Acquire, or Otherwise Accumulate”).

² This summary is qualified in its entirety by reference to the provisions of the Interim Order. To the extent any inconsistency exists between this Notice and the Interim Order, the terms of the Interim Order shall govern and control.

- (c) At least twenty (20) calendar days prior to effectuating any transfer of Common Stock (including options to acquire Common Stock) that would result in a decrease in the amount of Common Stock beneficially owned by a Substantial Shareholder, or would result in a person or entity ceasing to be a Substantial Shareholder, such Substantial Shareholder, person or entity must file with the Bankruptcy Court, and serve upon the Notice Parties, an advance written notice of the intended transfer of Common Stock (each a “Notice of Intent to Sell, Trade, or Otherwise Transfer” and, collectively with each Notice of Intent to Purchase, Acquire, or Otherwise Accumulate, a “Notice of Proposed Transfer”).
- (d) The Debtors (and other parties in interest) shall have twenty (20) calendar days after receipt of a Notice of Proposed Transfer to file with the Bankruptcy Court and serve upon such Substantial Shareholder, person or entity an objection to any proposed transfer of Common Stock described in the Notice of Proposed Transfer on the grounds that such transfer might adversely affect the Debtors’ ability to utilize their Tax Attributes. If the Debtors (or any other parties in interest) file an objection, such transfer would not be effective unless approved by a final and non-appealable order of the Bankruptcy Court. If no objection is filed within such 20-day period, such transfer shall be permitted to proceed solely as set forth in the Notice of Proposed Transfer. Further transfers within the scope of this paragraph (d) shall be the subject of additional notices as set forth herein, with additional 20-day waiting periods.
- (e) For purposes of these procedures: (i) a “Substantial Shareholder” is any person or entity that beneficially owns in excess of: (A) 73,429 shares of Common Stock (representing approximately 4.75% of all issued and outstanding shares of Common Stock); (ii) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Internal Revenue Code of 1986, as amended (the “Tax Code”), Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (A) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (B) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (C) ownership of shares which such holder has an option to acquire; and (iii) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of

forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

- (f) Effective as of the Petition Date and until further order of the Court to the contrary, any purchase, sale, or other transfer of beneficial ownership of Common Stock, including options to acquire Common Stock, in violation of these procedures shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Section 362.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, the following procedures shall apply to taking worthlessness deductions, for income tax purposes, with respect to AeroCentury common stock (the “Worthless Stock Deduction Procedures”):³

- (a) Any person or entity that currently is or becomes a 50-percent Shareholder (as such term is defined in paragraph (d) below) must file with the Bankruptcy Court, and serve upon the Notice Parties, a notice of such status (each a “Notice of Status as a 50-percent Shareholder”) on or before the later of (i) twenty (20) calendar days after entry of the Interim Order or (ii) ten (10) days after becoming a 50-percent Shareholder.
- (b) At least twenty-eight (28) calendar days prior to filing any income tax return, or any amendment to such a return, taking any worthlessness deduction with respect to Common Stock for a tax year ending before the Debtors’ emergence from chapter 11 protection, such 50-percent Shareholder must file with the Bankruptcy Court, and serve upon the Notice Parties, an advance written notice of the intended worthlessness deduction (each a “Notice of Intent to Take a Worthless Stock Deduction”).
- (c) The Debtors (and any other parties in interest) shall have twenty (20) calendar days after receipt of a Notice of Intent to Take a Worthless Stock Deduction to file with the Bankruptcy Court and serve upon such 50-percent Shareholder an objection to any proposed worthlessness deduction described in the Notice of Intent to Take a Worthless Stock Deduction on the grounds that such deduction might adversely affect the Debtors’ ability to utilize their Tax Attributes. If the Debtors (or any other parties in interest) file an objection, the filing of the income tax return with such deduction would not be permitted or effective unless approved by a final and non-appealable order of the Bankruptcy Court. If no objection is filed within such 20-day period, the filing of the income tax return

³ This summary is qualified in its entirety by reference to the provisions of the Interim Order. To the extent any inconsistency exists between this Notice and the Interim Order, the terms of the Interim Order shall govern and control.

with such deduction shall be permitted as set forth in the Notice of Intent to Take a Worthless Stock Deduction. Additional income tax returns within the scope of this paragraph (c) shall be the subject of additional notices as set forth herein, with additional 20-day waiting periods.

- (d) For purposes of these procedures: (i) a “50-percent Shareholder” is any person or entity that at any time during the three-year period ending on the Petition Date has had beneficial ownership of 50% or more of Common Stock or is otherwise considered a 50-percent shareholder of AeroCentury within the meaning of Section 382(g)(4)(D) of the Tax Code; (ii) “beneficial ownership” of equity interests means beneficial ownership for U.S. federal income tax purposes as determined in accordance with applicable rules under Section 382 of the Tax Code, Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (A) direct and indirect, actual and constructive, beneficial ownership (for example, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (B) ownership by such holder’s family members and other related persons and persons acting in concert with such holder to make a coordinated acquisition of stock, and (C) ownership of shares which such holder has an option to acquire; and (iii) an “option” to acquire stock includes any option, contingent purchase, warrant, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.
- (e) In the event that a 50-percent Shareholder takes a worthlessness deduction with respect to Common Stock in violation of these procedures, such worthlessness deduction shall be null and void *ab initio* as an act in violation of the automatic stay under Bankruptcy Code Section 362, and such 50-percent Shareholder shall be required to file an amended income tax return, as applicable, revoking such worthlessness deduction.

PLEASE TAKE FURTHER NOTICE that, upon written request, the Debtors’ notice and claims agent, Kurtzman Carson Consultants LLC (“KCC”), will provide a form of each of the required notices described above.

PLEASE TAKE FURTHER NOTICE that KCC can be contacted online at <http://www.kccllc.net/aerocentury>, or by calling (866) 967-1783 (U.S./Canada) or (310) 751-2683 (International).

**FAILURE TO FOLLOW THE PROCEDURES SET FORTH IN THIS
NOTICE OF ORDER AND THE INTERIM ORDER SHALL**

CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PROVISIONS OF BANKRUPTCY CODE SECTION 362.

ANY PROHIBITED PURCHASE, SALE, TRADE, OR OTHER TRANSFER OF, OR THE TAKING OF ANY WORTHLESSNESS DEDUCTION WITH RESPECT TO, COMMON STOCK IN VIOLATION OF THE INTERIM ORDER BE NULL AND VOID *AB INITIO* AND MAY BE PUNISHED BY CONTEMPT OR OTHER SANCTIONS IMPOSED BY THE BANKRUPTCY COURT.

PLEASE TAKE FURTHER NOTICE that the requirements set forth in this Notice of Order are in addition to the requirements of Bankruptcy Rules 3001 and 3002 and all applicable securities, corporate and other laws, and do not waive compliance or excuse non-compliance therewith.

PLEASE TAKE FURTHER NOTICE that if no written objections to the Motion are timely filed, served and received in accordance with the requirements set forth below, a final order will be submitted which will provide that the Motion shall be granted in its entirety on a final basis. If timely written objections are filed, served and received, a hearing (the "Hearing") to consider approval of the Motion on a final basis will be held at 2:00 p.m. prevailing Eastern Time on April 26, 2021, before the Honorable John T. Dorsey.

PLEASE TAKE FURTHER NOTICE that objections, if any, to final approval of the Motion must (a) be in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the District of Delaware, (c) be filed on or before 4:00 p.m. prevailing Eastern Time on April 16, 2021 (the "Objection Deadline") with the Clerk for the United States Bankruptcy Court for the District of Delaware, and (d) be served on the Notice Parties so as to be **ACTUALLY RECEIVED** on or before the Objection Deadline.

[Remainder of page intentionally left blank.]

PLEASE TAKE FURTHER NOTICE that only those objections made in writing and timely filed and received by the Objection Deadline will be considered by the Bankruptcy Court at the Hearing, and that if no objections to the Motion are timely filed and served in accordance with the procedures set forth herein, then the Bankruptcy Court may enter a final order granting the Motion **without further notice**.

Dated: March [●], 2021
Wilmington, Delaware

/s/ [DRAFT]

Joseph M. Barry (No. 4221)

Ryan M. Bartley (No. 4985)

Joseph M. Mulvihill (No. 6061)

S. Alexander Faris (No. 6278)

YOUNG CONAWAY STARGATT & TAYLOR, LLP

1000 N. King Street

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Facsimile: (302) 571-1253

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rbartley@ycst.com

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-and-

Lorenzo Marinuzzi (*pro hac vice* admission pending)

Erica J. Richards (*pro hac vice* admission pending)

MORRISON & FOERSTER LLP

250 West 55th Street

New York, NY 10019-9601

Telephone: (212) 468-8000

Facsimile: (212) 468-7900

E-mails: lmarinuzzi@mofo.com

erichards@mofo.com

Proposed Counsel to the Debtors and Debtors in Possession