

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

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In re	:	:	Chapter 11
	:	:	
JETFLEET HOLDING CORP.,	:	:	Case No. 21-10637 (JTD)
	:	:	
Reorganized Debtor. ¹	:	:	
	:	:	
	-X		

**STIPULATION RESOLVING REJECTION
DAMAGE CLAIM OF 1440 CHAPIN OWNER, LLC**

WHEREAS, 1440 Chapin Owner, LLC (the “Landlord”) and JetFleet Management Corp. (“JetFleet Management”), were parties to that certain *Lease Agreement* dated August 1, 2020 (the “Lease”), pursuant to which Landlord leased to JetFleet Management certain non-residential real property located at 1440 Chapin Avenue Burlingame, CA 94010, as more particularly referenced in the Lease (the “Premises”);

WHEREAS, on March 29, 2021, JetFleet Holding Corp., JetFleet Management, and AeroCentury Corp. (collectively, the “Debtors”) each filed a voluntary petition for relief in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) under chapter 11 of title 11 of the United States Code;

WHEREAS, on August 31, 2021, the Bankruptcy Court entered an Order confirming the *Combined Disclosure Statement and Joint Chapter 11 Plan of AeroCentury Corp., and Its Affiliated Debtors* [Case No. 21-10636, Docket No. 296-1] (the “Plan”);²

¹ The last four digits of the Reorganized Debtor’s federal tax identification number are 5342, and the Reorganized Debtor’s mailing address is 1325 Howard Ave., #614, Burlingame, CA 94010. The chapter 11 cases of the following affiliates of the Debtor were closed effective as of October 4, 2021: AeroCentury Corp. (3974) and JetFleet Management Corp. (0929) [See Chapter 11 Case No. 21-10636 (JTD), Docket No. 323].

² Capitalized terms not defined herein shall have the meanings given in the Plan.



WHEREAS, on September 29, 2021, the Debtors filed the *Debtors' Motion for Entry of an Order Authorizing the Debtors to (A) Reject that Certain Unexpired Lease Between Debtors and 1440 Chapin Owner, LLC Effective as of September 30, 2021 and (B) Granting Related Relief* [Docket. No. 319; Case No. 21-10636] (the "Rejection Motion"), seeking to reject the Lease and abandon all personal property located at the Premises effective as of September 30, 2021 (the "Rejection Date");

WHEREAS, on October 1, 2021, the Plan became effective;

WHEREAS, on October 19, 2021, the Bankruptcy Court entered an order approving the Rejection Motion [Docket No. 19];

WHEREAS, counsel for JetFleet Management and the Landlord have conferred and agreed to stipulate to the Landlord's claim for damages related to the rejection of the Lease and abandonment of personal property remaining at the Premises, and any other claims related thereto (the "Claim").

NOW THEREFORE, in consideration of the foregoing recitals and for good and valuable consideration, it is hereby stipulated, consented to, and agreed by and between JetFleet Management and Landlord (together, the "Parties"), as follows:

1. The Claim shall be an Allowed General Unsecured Claim against JetFleet Management in the amount of \$114,576.00, and shall be treated in accordance with the Plan. The Parties agree that the Landlord shall setoff the security deposit in the amount of \$7,392.00 against the Claim, and the remaining amount of the Claim after such setoff shall be \$107,184.00 (the "Settlement Amount"). Upon payment of the Settlement Amount, the Claim shall be deemed to be satisfied in full.

2. Upon payment of the Settlement Amount, Landlord, on the one hand, and JetFleet Management, on the other, for themselves and on behalf of each of their predecessors, successors, assigns, agents, representatives, and professionals, will be deemed to have fully, finally, and forever released, relinquished and discharged each other from all rights, claims, demands, damages of any kind, and causes of action of every nature, whether known or unknown asserted with respect to the Lease, the Premises or the Claim. Other than Distributions to be made in accordance with the Plan on account of the Settlement Amount and as otherwise provided herein below, the Landlord waives the right to satisfaction of, and shall be permanently enjoined from seeking payment from, or otherwise recovering against the Debtors and their estates, their assets and property, on account of the Claim, the Premises, or the Lease, any judgment, award, settlement, claim, distribution, or any other resolution or right to payment obtained on account of the Claim, the Premises, or the Lease, or any other amounts or obligations arising from or related to the Claim, the Premises, or the Lease. Notwithstanding any of the foregoing, nothing herein shall serve to release, waive or modify any third party indemnification rights of Landlord with respect to third-party claims, if any, arising from or related to JetFleet Management's use and occupancy of the Premises prior to the Rejection Date for which JetFleet Management had a duty to indemnify Landlord under the terms of the Lease, but in all events limited to the extent of available insurance coverage, and this provisions shall not constitute any admission of liability with respect to a particular claim and any defenses are preserved with respect to such third-party claims and indemnification claims.

3. This Stipulation constitutes the complete express agreement of the Parties and no modification or amendment to this Stipulation shall be valid unless it is in writing and signed by the Parties.

4. This Stipulation shall remain binding on the Parties and all of their successors and assigns.

5. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile or electronic mail, each of which shall be deemed an original, and all of which together shall constitute the same instrument.

6. Each person signing this Stipulation represents and warrants that he/she has been duly authorized and has the requisite authority to execute and deliver this Stipulation on behalf of such Party, to bind such Party to the terms and conditions of this Stipulation, and to act with respect to the rights and claims that are being altered or otherwise affected by this Stipulation.

7. Pursuant to Article XI of the Plan, Kurtzman Carson Consultants LLC, the claims and noticing agent for the chapter 11 cases, is authorized and directed to amend the claims register for the chapter 11 cases to comport with the terms of this Stipulation without the need for any further action of the Parties or the Bankruptcy Court.

8. The Parties agree that the Bankruptcy Court shall have exclusive jurisdiction with respect to all matters arising from and related to the implementation of this stipulation.

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Agreed to this 27th day of October, 2021.

1440 CHAPIN OWNER, LLC

By its counsel:

Allen Matkins Leck Gamble Mallory & Natsis LLP

/s/ Ivan M. Gold

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**REORGANIZED DEBTOR JETFLEET
HOLDING CORP.**

By its counsel:

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