

September 7, 2016

Board of Directors
AeroCentury Corp.
1440 Chapin Avenue, Suite 310
Burlingame, CA 94010

Dear Board of Directors:

Ninety days have passed since we contacted you via letter outlining our concerns as large shareholders of AeroCentury. The only response we received was an email from investor relations acknowledging reception of the letter. Since then, the following has occurred: (i) shareholders have been disappointed yet again by a terrible quarter, (ii) The day you announced a new CEO your stock declined yet again! This is another example of the continued pattern of poor judgement, inept leadership and incestuous business relationships, exposing AeroCentury to further losses and lawsuits. The new CEO has no financial incentive to increase the stock price and shareholder value. (iii) The market price of AeroCentury has continued declining and is now down over 37% off its 52 week high. The value destruction continues.

It appears very clear to us, many corporate governance experts, and shareholders in AeroCentury that leadership is for lack of a better word, is terrible! When the business has zero operating earnings because of bloated operations relative to the size of its fleet and collecting the insurance proceeds from a damaged plane are the only profitable results of a quarter we seriously question leadership and the management. We need to remind the Board of Directors that this is a public company beholden to all its shareholders through Delaware corporate laws and SEC laws. Once again as stated in our letter of 6 June 2016 the Board of Directors have a fiduciary duty to *all Shareholders*, not management nor Mrs. Perazzo. Delaware corporate law and its courts are keenly aware that shareholder investments will only be maximized if disinterested directors carefully act in good faith. Furthermore in *Gantler v. Stephens* the Delaware Supreme Court expanded the duties to Officers, by explicitly holding that, “officers of Delaware corporations, like directors, owe fiduciary duties of care and loyalty, and that of the fiduciary duties of officers are the same as those of directors.” It is clear to us that the self-appointment of Jet Fleet Management as the Manager of AeroCentury’s portfolio, without competition, promoted by Board Member Mr. David Wilson at arguably double the cost of the market, is subject to legal action and will be pursued if the Board does not take action.

Accordingly, it is our view that this management team is unable to derive value from the Company's assets and therefore we insist that the Board of Directors immediately retain bankers

to evaluate strategic options, including a sale of the Company. We have already spoken to investment bankers who would be happy to take the assignment and know that there are strategic buyers interested in purchasing the Company for a significant premium above the current market price. At this time we are willing to offer \$15.00 per share for AeroCentury contingent upon financing. This is 61% above the current price and 20% above the \$12.50 price offered in 2014 by Lee Beaumont.

In conclusion, as shareholders we request that the Board of Directors formulate a plan to address these strategic initiatives and report back to *all the shareholders*. We are confident that the Board of Directors will due their fiduciary duty, upholding the law and act in the best interest of *all shareholders* not just Ms. Perazzo's limited 23% interest in AeroCentury.

Should the Board fail to take concrete steps to close the value gap and maximize shareholder value, we may explore other external alternatives through either a proxy solicitation process or by soliciting external bidders for the entire company. We are confident that the Board of Directors can create value for *all shareholders* in the near and long term. We look forward to hearing what specific steps the Company will take in response to this letter.

Sincerely,

/s/ Michael W. Rusinas

Cc: Ms. Toni Perazzo
Mr. Michael Magnusson
Mr. Christopher B. Tigno
Mr. David P. Wilson
Mr. Evan M. Wallach
Mr. Roy E. Hahn
Mr. Thomas W. Orr
Mr. Brian J. Ginna