

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

In re:

Dynamic Aerostructures LLC, *et al.*,
Debtors.¹

Chapter 11

Case No. 25-10292 (xxx)

(Joint Administration Pending)

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF
CRITICAL VENDORS AND SECTION 503(b)(9) CLAIMANTS, AND (II)
AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND ELECTRONIC
TRANSFER REQUESTS, AND (III) GRANTING RELATED RELIEF**

Dynamic Aerostructures LLC, and its affiliated debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors” or the “Company”) in the above-captioned chapter 11 cases, by and through their undersigned proposed counsel, hereby submit this motion (this “Motion”) for entry of interim and final orders granting the relief described below. In support hereof, the Debtors rely on the *Declaration of Eric N. Ellis in Support of Debtors' Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”),² filed concurrently herewith, and further represent as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. Pursuant to Rule 9013-1(f) of the Local Rules of the United States Bankruptcy

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Dynamic Aerostructures LLC (3076); Dynamic Aerostructures Intermediate LLC (9800); and Forrest Machining LLC (3421). The Debtors’ service address is 27756 Avenue Mentry, Valencia, California 91355.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.



Court for the District of Delaware (the “Local Rules”), the Debtors confirm their consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of these chapter 11 cases and this Motion is proper in this district under 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a), 363(b), 503(b)(9), 1107(a), and 1108 of title 11 of the United States Code, as amended (the “Bankruptcy Code”). The relief is also appropriate in accordance with Rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”), and Local Rule 9013-1(m).

RELIEF REQUESTED

4. The Debtors respectfully request entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and the “Final Order”), (i) authorizing the Debtors to pay certain prepetition amounts owing on account of (a) Critical Vendor Claims and (b) Section 503(b)(9) Claims (each as defined herein) (together, the “Prepetition Trade Claims,” and the holders thereof, the “Prepetition Trade Claimants”) in the aggregate amount not to exceed \$1,950,000 on an interim basis (the “Interim Cap”) and \$2,600,000 on a final basis (the “Final Cap”), (ii) authorizing the Debtors’ banks and other financial institutions (collectively, the “Banks”) to honor and process check and electronic transfer requests related to the foregoing, and (iii) granting related relief.

5. Additionally, the Debtors also request that the Court authorize the Debtors to enter into written agreements (“Trade Agreements”) to document the treatment of Prepetition Trade Claims in accordance with the Interim Order or Final Order, which, as more fully described below, may condition payment of certain Prepetition Trade Claims, at the Debtors’ discretion, upon the

vendor (i) continuing to provide products and services to the Debtors in accordance with trade terms no worse than those in place during the one hundred and eighty (180) days prior to the Petition Date (as defined below) (the “Customary Trade Terms”), or (ii) accepting some discount on its prepetition claim amount.

6. The Debtors further respectfully request that the Court schedule a final hearing to consider approval of this Motion on a final basis within thirty (30) days following the Petition Date (defined below), or as soon thereafter as the Court’s schedule permits (such period, the “Interim Period”).

BACKGROUND

7. On February 26, 2025, (the “Petition Date”) each Debtor filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committee of unsecured creditors has been appointed in these chapter 11 cases.

8. The Company specializes in manufacturing large structural airframe and wing components of varying complexity and from a wide range of materials, including ceramics, stainless steel, titanium, and aluminum. The Company serves key aerospace and defense customers such as Lockheed Martin, Northrop Grumman, Boeing, Spirit AeroSystems, and more, including in connection with the various aircraft platforms.

9. The Company’s full-service capabilities include complex machining and parts, advanced assembly, sheet metal fabrication, and forming. Equipped with 3, 4, 5, and 6-axis

vertical and horizontal machining, the Company is approved for fracture, durability, maintenance, and flight science critical components. The Company has more than 100 active spindles in use for precision machining, enabling the Company to manufacture large airframe components and assemblies. Components and parts manufactured and supplied by the Company to its customers include bulkheads, floor beams, wing panels, engine mounts, wing skins, screens, cradles, canopies, and longerons.

10. The Company has invested in programming and inspection equipment and performs in-house rapid prototyping, numerical control programming, complex tooling design and build, and laser calibration and inspection. The Company's strategic location in Southern California, a major hub for aerospace research, development, and testing, provides it with a strategic advantage and adds efficiency to its customers' supply chains. The Company has one of the largest independent aerospace and defense manufacturing sites in North America, operating out of 226,000 square feet across two facilities in Southern California.

11. Additional factual background regarding the Company, including their business operations, their corporate and capital structure, and the events leading to the filing of these chapter 11 cases, is set forth in detail in the First Day Declaration, filed concurrently herewith and incorporated herein by reference.

I. CRITICAL VENDORS

12. The Debtors' manufacturing and supply operations require the services of a variety of carefully sourced third-party vendors. Should the Debtors become unable to conduct business with a particular vendor, the direct result could be a significant delay or even a shutdown of the Debtors' manufacturing lines, which would drastically harm the Debtors' relationships with their customers.

13. The Debtors' operations depend upon the uninterrupted flow of parts and materials used in the manufacturing and production process. Thus, maintaining the Debtors' supply chain without disruption is critical to the Debtors' ability to generate revenue. In addition, the Debtors are heavily dependent upon the support and maintenance services needed to keep the Debtors' manufacturing and supply lines moving. Many of these key providers are required by the Debtors' aerospace and defense customers to possess specific certifications or security clearance authorizations.

14. The Debtors believe there is a significant and material risk that key vendors may stop providing goods and services to the Debtors on a timely basis or completely sever their business relationship with the Debtors. Short of severing their relations with the Debtors, nonpayment of certain Critical Vendor Claims (defined below) may also cause key vendors to take other harmful actions, including refusing to supply goods or services, which could harm the operations of the Debtors and their customers. Providing uninterrupted services for the Debtors' customers is critical to the Debtors' businesses and cash flows, and the Debtors can ill afford any delays or interruptions of this nature.

15. Any material interruption in the provision of the materials, parts and services required by the Debtors' operations, however brief, including the delivery of key commodities and essential services, could cause irreparable harm to the Debtors' go-forward businesses, goodwill, employees, customer base, and market share. If the Debtors are unable to acquire required materials or parts to fulfill customer orders, the Debtors' revenues and customer relationships could suffer irreparable damage. Such harm would likely far outweigh the cost of payment of prepetition claims of critical vendors (collectively, and inclusive of 503(b)(9) Claims (as defined

below), the “Critical Vendor Claims”).³ Furthermore, the loss of trade terms (whether on account of demands for cash-in-advance, cash-on-delivery, or otherwise) would negatively impact the Debtors’ liquidity. It is thus essential to the Debtors’ restructuring efforts to pay certain Critical Vendors Claims to maintain the Debtors’ business operations. The Debtors intend to pay prepetition Critical Vendor Claims only when, in their business judgment, the benefits to their estates from making such payments will exceed the costs to their estates.

16. In that regard, the Debtors have spent significant time, aided by advisors, reviewing, and analyzing their books and records and historical practice to identify certain critical business relationships and suppliers of materials and services, the loss of which would immediately and irreparably harm their businesses (the “Critical Vendors”). In the process, the Debtors considered a variety of factors, including:

- whether certain specifications or contract requirements prevent, directly or indirectly, the Debtors from obtaining goods or services from alternative sources;
- whether a vendor is a sole-source, limited-source, or high-volume supplier of goods or services critical to the Debtors’ business operations;
- whether an agreement exists by which the Debtors could compel a vendor to continue performing on prepetition terms;
- whether alternative vendors are available that can provide the requisite volumes of similar goods or services on equal (or better) terms and, if so, whether the Debtors would be able to continue operating while transitioning business thereto;
- the degree to which replacement costs (including pricing, transition expenses, professional fees, and lost sales or future revenue) exceed the amount of a vendor’s prepetition claim;
- whether the Debtors’ inability to pay all or part of the vendor’s prepetition claim could trigger financial distress for the applicable vendor;

³ Notwithstanding the relief requested herein, the Debtors reserve all their rights and remedies under the Bankruptcy Code and other applicable law to pursue any cause of action against any Critical Vendor on account of, among other things, any violation of the automatic stay pursuant to section 362(a)(6) of the Bankruptcy Code.

- the likelihood that a temporary break in the vendor's relationship with the Debtors could be remedied through use of the tools available in these chapter 11 cases;
- whether failure to pay all or part of a particular vendor's claim could cause the vendor to hold goods owned by the Debtors, or refuse to ship inventory or to provide critical services on a postpetition basis;
- the location of the vendor;
- whether failure to pay a particular vendor could result in contraction of trade terms as a matter of applicable non-bankruptcy law or regulation; and
- whether failure to pay a particular vendor could cause an inability to properly service the Debtors' customers and result in substantial revenue loss; and the health of each vendor relationship, the vendor's familiarity with the chapter 11 process, and the extent to which each vendor's prepetition claims could be satisfied elsewhere in the chapter 11 process.

17. Following this analysis, the Debtors have identified certain vendors as Critical Vendors. The Critical Vendors provide services and goods that are generally proprietary or significantly integrated into the Debtors' business and operational systems (and in some cases, both) such that the Debtors cannot easily replicate or replace the services and goods received from the Critical Vendors. The Critical Vendors generally fall into two categories.

A. *Raw Materials*

18. In the ordinary course of business, the Debtors procure raw materials for use in the manufacturing of the structural airframe and wing components and other structures from suppliers (the "Materials Suppliers"). Due to product specifications and compliance requirements, the Debtors would be unable to obtain comparable raw material from alternative sources without significant disruption to their operations. Indeed, there are long lead times for developing and sourcing many of the raw materials used in the Debtors' manufacturing operations. The Debtors thus believe that any replacement sources, to the extent even available, would result in lengthy delays in production given the Debtors' volume requirements and would cause the Debtors to incur

significant additional costs and expenses. In most cases, the Debtors' procurement of raw materials is accomplished by way of purchase orders rather than a long-term supply contract.

B. *Parts and Support Vendors*

19. The Debtors also are dependent on Critical Vendors who provide proprietary parts, supplies, service and other maintenance support for the Debtors' manufacturing lines and other equipment (the "Parts and Support Vendors"). The Debtors seek to ensure the continuous operation of their manufacturing and supply lines and other key equipment to meet the requirements of their customers. In the ordinary course of the Debtors' business, the Debtors depend upon certain Parts and Support Vendors to, *inter alia*, provide proprietary replacement components for the Debtors' manufacturing and supply lines and other equipment and to assist in the maintenance and servicing of equipment. Certain Parts and Support Vendors include original equipment manufacturers who are also the exclusive supplier of parts for their respective equipment. Additionally, certain Parts and Support Vendors possess specific certifications or security clearance authorizations required by the Debtors' aerospace and defense customers. Should the Debtors' business relationship with a key Parts and Support Vendor be disrupted, it may prove extremely difficult, if not impossible, for the Debtors to find a substitute provider and integrate it with the Debtors' operations. Indeed, some Parts and Support Vendors are so integrated into the Debtors' operations that replacing them on short notice amidst an in-court reorganization would be impractical, if not entirely impossible.

20. In total, the Debtors believe that, as of the Petition Date, they owe approximately \$2,600,000 to the Critical Vendors (including both Materials Suppliers and Parts and Support Vendors), of which approximately \$1,950,000 will come due within the 30 days following the Petition Date.

II. TRADE TERMS CONDITIONS

21. The loss of trade terms with Critical Vendors (whether on account of demands for cash-in-advance, cash-on-delivery, or otherwise) would negatively impact the Debtors' liquidity. To preserve working capital and liquidity during the chapter 11 cases and ensure that the Debtors continue to receive vital materials and services, the Debtors seek authority, in their discretion, to condition any payment on account of Critical Vendor Claims on entry into a Trade Agreement, under which such Critical Vendor may be required to (a) continue supplying products or services to the Debtors on the Customary Trade Terms between the parties (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, and other applicable terms and programs), or (b) agree to accept some discount on its prepetition claim. The Debtors, however, reserve the right to negotiate different terms with any Critical Vendor, as a condition to payment of any Critical Vendor Claim, whether or not memorialized by a Trade Agreement, to the extent the Debtors determine that such trade terms are necessary to procure essential products and services or are otherwise in the best interests of the Debtors' estates.

22. The Debtors hereby request authority to enter into Trade Agreements with the Critical Vendors if the Debtors determine, in their discretion, that such an agreement is necessary to their postpetition operations.⁴ Maintaining normal trade credit terms will improve the Debtors' chances of successfully emerging from chapter 11 because purchasing goods on credit preserves working capital and liquidity—enabling the Debtors to maintain their competitiveness and to maximize the value of their businesses. This is particularly critical for the Debtors, who took the

⁴ The Debtors' entry into a Trade Agreement shall not change the nature or priority of the underlying Critical Vendor Claims and shall not constitute an assumption or rejection under section 365 of the Bankruptcy Code of any executory contract or prepetition or postpetition agreement between the Debtors and a Critical Vendor.

availability of their existing trade credit into account when sizing their post-petition borrowing needs.

23. If a Critical Vendor refuses to provide products or services to the Debtors on Customary Trade Terms (or such other terms that the parties agree upon as a condition to providing Critical Vendor status) following any postpetition payment toward its Critical Vendor Claim, or fails to comply with any Trade Agreement it entered into with the Debtors, the Debtors hereby request authority, in their discretion and without further order of the Court but with notice to the affected Critical Vendor (a) to declare such Trade Agreement immediately terminated (if applicable) and (b) to declare any payments made to such Critical Vendor on account of its Critical Vendor Claim to have been in payment of then outstanding postpetition obligations owed to such Critical Vendor without further order of the Court.

24. In the event that the Debtors exercise the rights set forth in the preceding paragraph, as applicable, the Debtors request that the Critical Vendor against which the Debtors exercise such rights be required to immediately return to the Debtors any payments made on account of its Critical Vendor Claim to the extent that such payments exceed the postpetition amounts then owed to such Critical Vendor, without giving effect to any rights of setoff or reclamation. In essence, the Debtors seek to return the parties to their respective positions immediately prior to entry into a Trade Agreement in the event one is terminated, or a Critical Vendor refuses to provide products or services to the Debtors on Customary Trade Terms following any payment toward its Critical Vendor Claim.

III. SECTION 503(b)(9) CLAIMANTS

25. Certain Critical Vendors also hold claims against the Debtors on account of goods received by the Debtors in the ordinary course of business within twenty (20) days prior to the Petition Date (the "Section 503(b)(9) Claims"). As a result, a vendor may refuse to fulfill new

orders without payment of its Section 503(b)(9) Claim, which would negatively affect the Debtors' businesses and ability to satisfy customer demand.

26. All of the Section 503(b)(9) Claimants are also Critical Vendors. The Debtors' relationships with these vendors, and with many other Section 503(b)(9) Claimants, are typically subject to purchase orders rather than long-term contracts. As a result, a 503(b)(9) Claimant may refuse to supply new orders if the Debtors do not pay the Section 503(b)(9) Claims. Such refusal would negatively affect the Debtors' estates, as the Debtors' business is dependent on the steady flow of materials and parts necessary to keep the Debtors' manufacturing and service lines in operation.

27. The Debtors also believe that certain Section 503(b)(9) Claimants could demand payment in cash on delivery, exacerbating the Debtors' liquidity challenges. Typically, however, the Debtors are provided with thirty (30)-day payment terms from the date of delivery.

28. As of the Petition Date, the Debtors estimate that approximately \$400,000 is owed to Section 503(b)(9) Claimants and may be entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code.⁵ The Debtors seek authority in this Motion to pay 503(b)(9) Claims in their discretion.

29. Without the relief requested in this Motion, the Debtors believe that the Critical Vendors may cease providing certain critical goods and services and thereby take action that could impede the Debtors' going concern value—a result that could be devastating for the Debtors and their stakeholders. Further, the DIP Budget (as defined in the DIP Motion⁶) contemplates

⁵ The Debtors do not concede that any claims described in this Motion are conclusively entitled to administrative priority under section 503(b)(9) of the Bankruptcy Code, and expressly reserve the right to contest the extent or validity of all such claims.

⁶ The "DIP Motion" means the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Senior Secured Financing, (II) Authorizing the Debtors to Use Cash Collateral on a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting*

sufficient funds to continue to pay the Critical Vendor Claims in the ordinary course, should the Court grant the requested relief.

30. In addition, the Debtors request that if any party accepts payment pursuant to the relief requested by this Motion and thereafter does not continue to provide goods or services on Customary Trade Terms, then: (a) any payment on account of a prepetition claim received by such party shall be deemed an improper postpetition transfer pursuant to section 549 of the Bankruptcy Code and, therefore, immediately recoverable by the Debtors in cash upon written request by the Debtors; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by this Motion to such outstanding postpetition balance and the counterparty will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding, without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

V. OUTSTANDING ORDERS

31. Prior to the Petition Date and in the ordinary course of business, the Debtors may have ordered goods that will not be delivered until after the Petition Date (the “Outstanding Orders”). In the mistaken belief that they would be general unsecured creditors of the Debtors’ estates with respect to such goods, certain suppliers may refuse to ship or transport such goods (or may recall such shipments) with respect to such Outstanding Orders unless the Debtors issue substitute purchase orders postpetition—potentially disrupting the Debtors’ ongoing business operations and requiring the Debtors to expend substantial time and effort in issuing such substitute

Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief filed contemporaneously herewith.

orders. As set forth in greater detail below, the Debtors request that the Court confirm the administrative expense priority of the Outstanding Orders and authorize the Debtors to pay any amounts due on account of Outstanding Orders as they come due in the ordinary course of business.

BASIS FOR RELIEF

I. THE COURT SHOULD AUTHORIZE PAYMENT OF THE PREPETITION TRADE CLAIMS

A. THE COURT MAY AUTHORIZE THE DEBTORS TO PAY THE CRITICAL VENDOR CLAIMS PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE

32. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations, including payments to Critical Vendors, when it is necessary to protect and preserve the estate. *See, e.g., Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973, 985 (2017) (noting that courts “[h]ave approved . . . ‘critical vendor’ orders that allow payment of essential suppliers’ prepetition invoices”); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (finding that payment of prepetition claims to certain trade vendors was “[e]ssential to the survival of the debtor during the chapter 11 reorganization”); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (“The ability of a bankruptcy court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of the Critical Vendor Claims as provided herein.

33. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “[u]se, sell, or lease, other than in the ordinary course of business, property of the estate[.]” 11 U.S.C. § 363(b)(1). A debtor’s decision to use, sell, or lease

assets outside the ordinary course of business must be based upon the sound business judgment of the debtor. *See Ionosphere Clubs, Inc.*, 98 B.R. at 175 (noting that section 363(b) of the Bankruptcy Code provides “broad flexibility” to authorize a debtor to honor prepetition claims when supported by an appropriate business justification). Indeed, courts have recognized that there are instances when a debtor’s fiduciary duty can “[o]nly be fulfilled by the preplan satisfaction of a prepetition claim.” *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002).

34. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies a bankruptcy court’s inherent equitable powers to “[i]ssue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Pursuant to section 105(a) of the Bankruptcy Code, courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor’s businesses. *See Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its power pursuant to section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). Indeed, the U.S. Court of Appeals for the Third Circuit recognized the “necessity of payment” doctrine in *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981). The Third Circuit held that a court could authorize the payment of prepetition claims if such payment was essential to the continued operation of the debtor. *Id.* (stating courts may authorize payment of prepetition claims when there “[i]s the possibility that the creditor will employ an immediate economic sanction, failing such payment”); *see also In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972) (holding that the necessity of payment doctrine permits “[i]mmediate payment of claims of creditors where those

creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims have been paid[.]” (internal citations omitted); *In re Just for Feet*, 242 B.R. at 824–25 (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to continued operation of business); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (same).

35. The Debtors’ request for authority to pay Critical Vendor Claims as requested herein is appropriate and warranted under the circumstances. Payment of the Critical Vendor Claims, as described above, is essential to the continued operation of the Debtors’ business. Failure to pay such claims could harm the Debtors’ ability to obtain necessary products and services, prevent the Debtors from preserving favorable trade terms, and increase the likelihood for significant disruptions to the Debtors’ operations.

36. The resulting harm to the Debtors’ estates far outweighs the cost associated with paying a portion of the Debtors’ prepetition obligations to the Critical Vendors. As stated above, the Critical Vendors provide goods and services that, in the Debtors’ business judgment, are necessary to ensure the continued functioning of the Debtors’ business and preserve and maximize the going concern value of their businesses. If the Critical Vendors cease to continue to provide goods and services to the Debtors, the Debtors face a degradation in the value of their businesses due to interruption of the flow of necessary materials and services to the Debtors and impairment of the Debtors ability to provide products to their customers. Thus, the Debtors submit that their other creditors will be no worse off from implementation of the relief sought herein, and in fact will fare far better, if the Debtors are empowered to negotiate such payments to achieve a smooth transition into bankruptcy with minimal disruption to their operations.

37. Accordingly, in light of the potential for immediate and irreparable consequences if the Critical Vendors do not continue to provide uninterrupted and timely deliveries of materials and services, the Debtors have determined, in the exercise of their business judgment, that payment of Critical Vendor Claims necessary to the go-forward business may be essential to avoid costly disruptions to their operations. The Debtors have examined other options short of payment of the Critical Vendor Claims and have determined that to avoid significant disruption of the Debtors' operations, the Debtors must pay all or part of the Critical Vendor Claims. For these reasons, the Debtors submit that the relief requested herein represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, preserving value for the benefit of all stakeholders in these chapter 11 cases, and is therefore justified under sections 105(a) and 363(b) of the Bankruptcy Code.

38. The importance of debtors paying claims of Critical Vendors to avoid significant disruption to business operations and immediate and irreparable harm to estates has been recognized by courts in this district, and such courts have granted relief similar to the relief requested herein. *See, e.g., In re SiO2 Medical Products, Inc.*, No. 23-10366 (JTD) (Bankr. D. Del. April 24, 2023); *In re Carestream Health, Inc.*, No. 22-10778 (JKS) (Bankr. D. Del. Sep. 22, 2022); *In re BL Restaurants Holding, LLC*, Case No. 20-10156 (MWF) (Bankr. D. Del. Feb. 26, 2020) [D.I. 181]; *In re RUI Holding Corp.*, No. 19-11509 (JTD) (Bankr. D. Del. Aug. 7, 2019) [D.I. 118]; *In re Hexion Holdings LLC*, Case No. 19-10684 (KG) (Bankr. D. Del. May 1, 2019) [D.I. 102]; *In re Imerys Talc Am., Inc.*, Case No. 10289 (LSS) (Bankr. D. Del. Feb. 14, 2019) [D.I. 51]; *In re Consolidated Infrastructure Grp., Inc.*, Case No. 19-10165 (BLS) (Bankr. D. Del. Jan.

31, 2019) [D.I. 29]; *In re LBI Media, Inc.*, Case No. 18-12655 (CSS) (Bankr. D. Del. Nov. 27, 2019) [D.I. 82].⁷

B. THE COURT MAY AUTHORIZE THE PAYMENT OF CLAIMS ENTITLED TO ADMINISTRATIVE EXPENSE PRIORITY PURSUANT TO SECTION 503(b)(9) OF THE BANKRUPTCY CODE

39. Section 503(b)(9) of the Bankruptcy Code provides administrative priority for “the value of any goods received by the debtor within 20 days before the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor’s business.” 11 U.S.C. § 503(b)(9). These claims must be paid in full for the Debtors to confirm a chapter 11 plan. 11 U.S.C. § 1129(a)(9)(A). Consequently, payment of the Critical Vendors’ Section 503(b)(9) Claims after the Petition Date only provides such parties with what they would be entitled to receive under a chapter 11 plan. Conversely, all creditors will benefit from the seamless transition of the Debtors’ operations into bankruptcy. In other words, payment of the Section 503(b)(9) Claims of Critical Vendors merely accelerates the timing of payment and does not change the ultimate treatment of such claims under a chapter 11 plan.

40. The Debtors’ ongoing ability to obtain parts and materials as provided herein is necessary to preserve the value of their estates. Absent the payment of the Critical Vendors’ Section 503(b)(9) Claims at the outset of these chapter 11 cases—which may merely accelerate the timing of payment and not the ultimate treatment of such claims—the Debtors could be denied access to parts and materials necessary to maintain the Debtors’ operations and maximize the value of the Debtors’ estates. In addition, the Bankruptcy Code does not prohibit a debtor from paying Section 503(b)(9) Claims prior to confirmation. As administrative claims incurred in the ordinary course of business, the Debtors believe they may pay such claims in accordance with their business

⁷ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors’ proposed counsel.

judgment pursuant to section 363(c)(1) of the Bankruptcy Code. *See, e.g., In re Dura Auto. Sys. Inc.*, No. 06-11202 (KJC) (Bankr. D. Del. Oct. 31, 2006) Hr’g Tr. 49:21-23 (“I think arguably the debtor could pay its 503(b)(9) claimants without court approval.”). The timing of such payments also lies squarely within the Court’s discretion. *See In re Global Home Prods., LLC*, No. 06 10340 (KG), 2006 WL 3791955, at *3 (Bankr. D. Del. Dec. 21, 2006) (agreeing with parties that “[t]he timing of the payment of that administrative expense claim is left to the discretion of the Court”).

(a) The Relief Requested is Also Authorized by Sections 105 and 363 of the Bankruptcy Code

41. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations, including payments like the ones requested by this Motion, when it is necessary to protect and preserve the estate. *See, e.g., Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973, 985 (2017) (noting that courts “[h]ave approved orders . . . that allow payment of essential suppliers’ prepetition invoices”); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (finding that payment of prepetition claims to certain vendors was “[e]ssential to the survival of the debtor during the chapter 11 reorganization”); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (“The ability of a Bankruptcy Court to authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”); *Armstrong World Indus., Inc. v. James A. Phillips, Inc.*, (*In re James A. Phillips, Inc.*), 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

42. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “[u]se, sell, or lease, other than in the ordinary course of business, property of the estate[.]” 11 U.S.C. § 363(b)(1). “In determining whether to authorize

the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (collecting cases); *see also James A. Phillips, Inc.*, 29 B.R. at 393–94 (relying on section 363 of the Bankruptcy Code to allow a contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors); *In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring the debtor to show a “good business reason” for a proposed transaction under section 363(b) of the Bankruptcy Code).

43. Courts also authorize payment of prepetition claims, such as those described herein, in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies a bankruptcy court’s inherent equitable powers to “[i]ssue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Under section 105(a) of the Bankruptcy Code, courts may authorize pre-plan payments of prepetition obligations when doing so is essential to the continued operation of a debtor’s businesses. *Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its powers under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). *Ionosphere Clubs*, 98 B.R. at 175–76; *In re Lehigh & New England Railway Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there “[i]s the possibility that the creditor will employ an immediate economic sanction[] failing such payment”); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the

continued operation of the business). A bankruptcy court's use of its equitable powers to "[a]uthorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." *Ionosphere Clubs*, 98 B.R. at 175–76. Indeed, at least one court has recognized that there are instances when a debtor's fiduciary duty can "[o]nly be fulfilled by the preplan satisfaction of a prepetition claim." *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002).

44. This flexible approach is particularly critical when, as here, payment of the amounts owing to the Critical Vendors are crucial to the Debtors' continued operations and restructuring efforts. In *In re Structurlite Plastics Corp.*, the bankruptcy court recognized that "[a] bankruptcy court may exercise its equity powers under § 105(a) to authorize payment of pre-petition claims where such payment is necessary to 'permit the greatest likelihood of survival of the debtors and payment of creditors in full or at least proportionately.'" 86 B.R. 922, 931 (Bankr. S.D. Ohio 1988) (quoting *In Re Chateaugay Corp.*, 80 B.R. 279, 287 (S.D.N.Y. 1987)). The court explained that "[a] *per se* rule proscribing the payment of pre-petition indebtedness may well be too inflexible to permit the effectuation of the rehabilitative purposes of the [Bankruptcy] Code." *Id.* at 932. Allowing the Debtors to pay the Lien Claims pursuant to sections 363(b) and 105(a) of the Bankruptcy Code is consistent with the "two recognized policies" of chapter 11 of the Bankruptcy Code—preserving going concern value and maximizing the value of property available to satisfy creditors. *Bank of Am. Nat'l Trust & Savs. Ass'n v. 203 N. LaSalle St. P'Ship*, 526 U.S. 434, 453 (1999).

45. Courts in this district have routinely granted relief similar to the relief requested herein. *See, e.g., In re FB Debt Fin. Guar., LLC*, No. 23-10025 (KBO) (Bankr. D. Del. Feb. 3, 2023) (authorizing debtors to pay prepetition lien claims in the ordinary course of business); *In re*

OSG Grp. Holdings, Inc., No. 22-10718 (JTD) (Bankr. D. Del. Aug. 29, 2022) (same); *In re TPC Grp. Inc.*, No. 22-10493 (CTG) (Bankr. D. Del. June 30, 2022) (same); *In re PWM Prop. Mgmt. LLC*, No. 21-11445 (MFW) (Bankr. D. Del. Dec. 1, 2021) (same); *In re Brooks Brothers Grp., Inc.*, No. 20-11785 (CSS) (Bankr. D. Del. Aug. 11, 2020) (same).⁸

C. THE COURT SHOULD CONFIRM THAT OUTSTANDING ORDERS ARE ADMINISTRATIVE EXPENSE PRIORITY CLAIMS AND THAT PAYMENT OF SUCH CLAIMS IS AUTHORIZED

46. Pursuant to section 503(b)(1) of the Bankruptcy Code, claims that arise in connection with the postpetition delivery of goods and services, including goods ordered prepetition, are entitled to administrative expense priority because they benefit the estate postpetition. *See* 11 U.S.C. § 503(b)(1)(A) (providing that the “actual [and] necessary costs and expenses of preserving the estate” are administrative expenses); *see also In re John Clay & Co.*, 43 B.R. 797, 809–10 (Bankr. D. Utah 1984) (holding that goods ordered prepetition but delivered postpetition are entitled to administrative priority). Thus, granting the relief sought herein with respect to the Outstanding Orders will not afford such claimants any greater priority than they otherwise would have absent such relief and will not prejudice any other party in interest.

47. Absent such relief, however, the Debtors may be required to expend substantial time and effort reissuing the Outstanding Orders to assure certain suppliers that their corresponding claims will be afforded administrative expense priority. The attendant disruption and delay to the continuous and timely flow of critical materials and other goods to the Debtors would force the Debtors to potentially halt operations, disrupt the Debtors’ business, and lead to a loss of revenue, all to the detriment of the Debtors and their creditors.

⁸ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors’ proposed counsel.

48. Indeed, courts in this circuit and others have routinely granted the type of relief requested herein. *See, e.g., In re SiO2 Medical Products, Inc.*, No. 23-10366 (JTD) (Bankr. D. Del. April 24, 2023) (granting administrative expense priority to undisputed obligations on account of outstanding orders on a final basis); *In re Carestream Health, Inc.*, No. 22-10778 (JKS) (Bankr. D. Del. Sep. 22, 2022) (same); *In re Rite Aid Corp.*, No. 23-18993 (MBK) (Bankr. D.N.J. Oct. 18, 2023) (granting administrative expense priority to undisputed obligations on account of outstanding orders on an interim basis).⁹

II. THE COURT SHOULD AUTHORIZE THE BANKS TO HONOR AND PROCESS THE DEBTORS' PAYMENTS IN ACCORDANCE WITH THE MOTION

49. The Debtors have sufficient liquidity to pay the amounts set forth in this Motion in the ordinary course of business and have implemented controls to ensure that prepetition claims will not be paid out except as authorized by this Court. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. The Debtors therefore submit that the Court authorize and direct the Banks, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion, regardless of whether the checks were presented or fund transfer requests were submitted before, on, or after the Petition Date, provided that sufficient funds are available in the applicable bank accounts to cover the checks and electronic fund transfers. The Debtors also request that the Banks be authorized to rely on the Debtors' designation or representation that any particular check or electronic payment request has been approved pursuant to the Interim Order and the Final Order.

⁹ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

III. THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED

50. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code or to satisfy prepetition claims within twenty-one (21) days of the Petition Date requires that the Debtors demonstrate that such relief “is necessary to avoid immediate and irreparable harm.” As set forth in this Motion, the success of these chapter 11 cases depends upon the continued ability to satisfy the Critical Vendor Claims, including Section 503(b)(9) Claims. Without the services of the Critical Vendors, the Debtors’ estates would suffer immediate and detrimental consequences to the Debtors’ businesses, which would jeopardize the Debtors’ efforts to preserve and maximize the value of their estates, to the detriment and prejudice of all of the Debtors’ stakeholders. As the Debtors operate in a highly competitive and specialized industry, the Debtors cannot afford any material disruptions of their business operations or present anything less than a “business as usual” appearance to the public. It is the Debtors’ business judgment that continuation of their positive relationships with the Critical Vendors is critical to avoid any unexpected or inopportune interruption to their operations and increases the likelihood of successfully prosecuting the chapter 11 cases. If the relief requested herein is not granted, the Debtors’ failure to satisfy the Critical Vendor Claims would cause the Debtors’ estates immediate and irreparable harm by detracting from, and potentially derailing, the Debtors’ restructuring efforts.

51. For the reasons set forth above, the Debtors respectfully submit that Bankruptcy Rule 6003(b) has been satisfied and the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

IV. WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)

52. Additionally, with respect to any aspect of the relief sought herein that constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors seek a waiver of the

notice requirements under Bankruptcy Rule 6004(a), to the extent not satisfied, and the fourteen (14)-day stay under Bankruptcy Rule 6004(h). As set forth throughout this Motion, any delay in obtaining materials, parts, and the services necessary to maintain the Debtors' manufacturing and supply operations would be potentially devastating to the Debtors, their creditors, and their estates.

53. For this reason and those set forth above, the Debtors submit that ample cause exists to justify a waiver of the notice requirements of Bankruptcy Rule 6004(a) and of the fourteen (14)-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable to the Interim Order and the Final Order.

V. IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

54. The Court may grant the relief requested in this Motion immediately if the “[r]elief is necessary to avoid immediate and irreparable harm.” Bankruptcy Rule 6003; *In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008). The Third Circuit has interpreted the language “immediate and irreparable harm” in the context of preliminary injunctions. In that context, the Third Circuit has instructed that irreparable harm is that which “[c]annot be redressed by a legal or an equitable remedy following a trial.” *Instant Air Freight Co. v. C.F. Air Freight, Inc.*, 882 F.2d 797, 801 (3d Cir. 1989). The Debtors submit that, for the reasons already set forth herein, the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates. Importantly, the amounts sought to be paid under the Interim Order are only those amounts that will come due in the first thirty (30) days of the chapter 11 cases pursuant to the Customary Trade Terms and, accordingly, the Debtors have appropriately tailored the relief to that which must be paid pending the final hearing on the Motion.

55. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of fourteen (14) days after entry of the order, unless

the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the fourteen (14)-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

56. Nothing in this Motion: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors or their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates to contest the validity, priority, or amount of any claim against the Debtors or their estates; (c) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates with respect to any and all claims or causes of action against any third party; or (d) shall be construed as a promise to pay a claim or continue any applicable program postpetition, which decision shall be in the discretion of the Debtors. Any payment made pursuant to an order of the Court granting the relief requested herein is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors’ rights to subsequently dispute such claim.

NOTICE

57. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”); (b) the United States Attorney’s Office for the District of Delaware; (c) the state attorneys general for all states in which the Debtors conduct business; (d) the Internal Revenue Service; (e) the United States Securities and Exchange Commission; (f) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (g) counsel to the DIP Agent and DIP Lender; (h) counsel to the Prepetition

Agent; (i) the banks and financial institutions where the Debtors maintain accounts; and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that, in light of the nature of the relief requested, no further notice is necessary.

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Interim Order and the Final Order, substantially in the form annexed hereto as **Exhibit A** and **Exhibit B**, respectively, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: February 26, 2025
Wilmington, Delaware

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Interim Order

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

In re:

Dynamic Aerostructures LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10292 (xxx)

(Joint Administration Pending)

Related Docket No.

**INTERIM ORDER (I) AUTHORIZING DEBTORS TO (A) PAY CERTAIN
PREPETITION CLAIMS OF CRITICAL VENDORS AND SECTION 503(b)(9)
CLAIMANTS, AND (B) FOLLOW CERTAIN PROCEDURES RELATED
THERE TO; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND
ELECTRONIC TRANSFER REQUESTS; AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of this interim order (the “Order”) and a final order (i) authorizing the Debtors, in their sole discretion, to (a) pay certain prepetition claims of Critical Vendors and Section 503(b)(9) Claimants, and (b) follow certain procedures related thereto; (ii) authorizing Banks to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of these cases and this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Dynamic Aerostructures LLC (3076); Dynamic Aerostructures Intermediate LLC (9800); and Forrest Machining LLC (3421). The Debtors’ service address is 27756 Avenue Mentry, Valencia, California 91355.

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

requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The final hearing on the Motion (the "Final Hearing") is set for _____, 2025 at ____:00 a.m. (prevailing Eastern Time). Any objections or responses to the entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2025 (the "Objection Deadline"), and shall be served on the following parties or their respective counsel on or before the Objection Deadline: (i) proposed counsel to the Debtors, Chipman Brown Cicero & Cole LLP, 1313 N. Market Street, Suite 5400, Wilmington, DE 19801 (Attn: Mark L. Desgrosseilliers; email: desgross@chipmanbrown.com); and 501 5th Ave., 15th Floor, New York, NY 10017 (Attn: Daniel G. Egan; email: egan@chipmanbrown.com); (ii) counsel to the DIP Agent and the DIP Lender, King & Spalding LLP, 1100 Louisiana St., Suite 4100, Houston, TX 77002 (Attn: Michael Fishel; email: mfishel@kslaw.com) and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Kenneth J. Enos; email: kenos@ycst.com); (iii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lock Box 35, Wilmington, Delaware 19801 (Attn: Rosa Sierra-Fox;

email: Rosa.Sierra-Fox@usdoj.gov); and (iv) counsel for any statutory committee appointed in these chapter 11 cases. If no objections or responses are filed and served by the Objection Deadline, the Court may enter the Final Order without further notice or hearing.

3. Upon the entry of this Interim Order, the Debtors are hereby authorized but not required to pay, in their sole discretion and without further order of this Court, the Critical Vendor Claims (inclusive of the Section 503(b)(9) Claims), provided that such payments shall not exceed \$1,950,000 absent further order of this Court. The Debtors are further authorized, but not directed, in their discretion, to settle and resolve all or some of the Prepetition Trade Claims for less than their face amount without further notice or hearing. Nothing in this paragraph shall be construed as requiring the Debtors to make a payment to a particular creditor or claimant. The Debtors shall provide a copy of this Order to any Prepetition Trade Claimant to whom a payment is made pursuant to this Order.

4. The Debtors are further authorized in their sole discretion, to undertake appropriate efforts to enter into Trade Agreements with the Prepetition Trade Claimants if the Debtors determine, in their discretion, that such an agreement is necessary to the Debtors' operations; *provided, however*, that the absence of such written verification or the Debtors' failure to request such an acknowledgement will not limit the Debtors' rights hereunder; *provided further, however*, that the Debtors' inability to obtain a commitment to provide Customary Trade Terms shall not preclude the Debtors from paying certain Prepetition Trade Claims if the Debtors determine, in the reasonable exercise of their business judgment, that payment of such Prepetition Trade Claims is nevertheless necessary to the Debtors' operations. Nothing in this paragraph shall be construed as requiring the Debtors to make a payment to a particular creditor or claimant.

5. If any party accepts payment hereunder for a prepetition obligation of the Debtors premised on compliance with the Customary Trade Terms, and thereafter fails to comply with the Customary Trade Terms, or other such terms as agreed to by the Debtors, then, subject to entry of a final order granting such relief on the Motion from this Court: (a) any payment on account of a prepetition claim received by such party shall be deemed, in the Debtors' sole discretion, an improper postpetition transfer and, upon further Court approval on motion with notice, potentially recoverable in cash upon written request by the Debtors; provided, that such party shall be provided reasonable opportunity to contest such request; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and such supplier or vendor will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding, without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

6. If any Prepetition Trade Claimant accepts payment on account of a prepetition obligation of the Debtors and thereafter does not continue to provide goods or services to the Debtors on Customary Trade Terms (or such other terms as are agreed to by the parties, regardless of whether the parties have entered into a Trade Agreement), the Debtors reserve all rights and remedies, including to assert on notice and a hearing that such payments made constitute avoidable postpetition transfers pursuant to section 549 of the Bankruptcy Code and, as such, are recoverable by the Debtors.

7. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank

accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Order.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of the chapter 11 cases with respect to prepetition amounts owed in connection with any Prepetition Trade Claims referenced herein.

9. For the avoidance of doubt, the authorization granted hereby to pay the Prepetition Trade Claims shall not create any obligation on the part of the Debtors or their officers, directors, attorneys, or agents to pay the Prepetition Trade Claims. None of the foregoing persons shall have any liability on account of any decision by the Debtors to not pay or to settle a Prepetition Trade Claim for less than the asserted amount of such claim.

10. Nothing herein shall prejudice the Debtors' rights to request additional authority to pay Prepetition Trade Claims.

11. Nothing in this Order nor any actions taken hereunder: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors or their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates to contest the validity, priority, or amount of any claim against the Debtors or their estates; (c) shall impair,

prejudice, waive, or otherwise affect the rights of the Debtors or their estates with respect to any and all claims or causes of action against any third party; (d) shall be construed as a promise to pay a claim or continue any applicable program postpetition, which decision shall be in the discretion of the Debtors; or (e) shall create, or is intended to create, any rights in favor of, or enhance the status of any claim held by, any person. Any payment made pursuant to this Order is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

12. The requirements of Bankruptcy Rule 6003 are satisfied.

13. Notwithstanding Bankruptcy Rule 6004(h) or any other procedural rule, this Order shall be effective and enforceable immediately upon entry hereof and notice of the Motion as provided therein shall be deemed good and sufficient pursuant to the requirements of Bankruptcy Rule 6004(a) and the Local Rules.

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

15. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

EXHIBIT B

Final Order

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

In re:

Dynamic Aerostructures LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10292 (xxx)

(Joint Administration Pending)

Related Docket No.

**FINAL ORDER (I) AUTHORIZING DEBTORS TO
(A) PAY CERTAIN PREPETITION CLAIMS OF CRITICAL
VENDORS AND SECTION 503(B)(9) CLAIMANTS,
AND (B) FOLLOW CERTAIN PROCEDURES RELATED THERETO;
(II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECK AND
ELECTRONIC TRANSFER REQUESTS; AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of an interim order and this final order (the “Order”) (i) authorizing the Debtors, in their sole discretion, to (a) pay certain prepetition claims of Critical Vendors and Section 503(b)(9) Claimants, and (b) follow certain procedures related thereto; (ii) authorizing Banks to honor and process check and electronic transfer requests related to the foregoing; and (iii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of these cases and this proceeding is proper in this district pursuant to 28

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Dynamic Aerostructures LLC (3076); Dynamic Aerostructures Intermediate LLC (9800); and Forrest Machining LLC (3421). The Debtors’ service address is 27756 Avenue Mentry, Valencia, California 91355

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

U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on a final basis as set forth herein.
2. The Debtors are hereby authorized but not required to pay, in their sole discretion and without further order of this Court, the Critical Vendor Claims (inclusive of the Section 503(b)(9) Claims), provided that such payments shall not exceed \$2,600,000 in the aggregate (inclusive of the amounts in the Interim Cap) absent further order of this Court. The Debtors are further authorized, but not directed, in their sole discretion, to settle and resolve all or some of the Prepetition Trade Claims for less than their face amount without further notice or hearing. Nothing in this paragraph shall be construed as requiring the Debtors to make a payment to a particular creditor or claimant. The Debtors shall provide a copy of this Order to any Prepetition Trade Claimant to whom a payment is made pursuant to this Order.
3. The Debtors are further authorized in their sole discretion, to undertake appropriate efforts to enter into Trade Agreements with the Prepetition Trade Claimants if the Debtors determine, in their discretion, that such an agreement is necessary to the Debtors' operations;

provided, however, that the absence of such written verification or the Debtors' failure to request such an acknowledgement will not limit the Debtors' rights hereunder; *provided further, however*, that the Debtors' inability to obtain a commitment to provide Customary Trade Terms shall not preclude the Debtors from paying certain Prepetition Trade Claims if the Debtors determine, in the reasonable exercise of their business judgment, that payment of such Prepetition Trade Claims is nevertheless necessary to the Debtors' operations. Nothing in this paragraph shall be construed as requiring the Debtors to make a payment to a particular creditor or claimant.

4. Upon the payment of the Prepetition Trade Claim, the Debtors shall be deemed to have satisfied any and all prepetition claims held by the Critical Vendor and any and all liens, including, without limitation, mechanic's, shipper's and materialman's liens, against property of the Debtors for unpaid prepetition obligations will automatically be released and terminated without any further action on the part of the Debtors or Critical Vendors.

5. If any party accepts payment hereunder for a prepetition obligation of the Debtors premised on compliance with the Customary Trade Terms, and thereafter fails to comply with the Customary Trade Terms, or other such terms as agreed to by the Debtors, then the Debtors reserve all rights and remedies, including to assert on notice and a hearing: (a) to deem, in the Debtors' sole discretion, any payment on account of a prepetition claim received by such party an improper postpetition transfer and, therefore, immediately recoverable in cash upon written request by the Debtors; provided, that such party shall be provided reasonable opportunity to contest such request; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and

such supplier or vendor will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding, without the right of any setoffs, claims, provisions for payment of any claims, or otherwise.

6. If any Prepetition Trade Claimant accepts payment on account of a prepetition obligation of the Debtors and thereafter does not continue to provide goods or services to the Debtors on Customary Trade Terms (or such other terms as are agreed to by the parties, regardless of whether the parties have entered into a Trade Agreement), the Debtors reserve all rights and remedies, including to assert on notice and a hearing that such payments made constitute avoidable postpetition transfers pursuant to section 549 of the Bankruptcy Code and, as such, are recoverable by the Debtors.

7. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Order.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of the chapter 11 cases with respect to prepetition amounts owed in connection with any Prepetition Trade Claims referenced herein.

9. For the avoidance of doubt, the authorization granted hereby to pay the Prepetition Trade Claims shall not create any obligation on the part of the Debtors or their officers, directors, attorneys, or agents to pay the Prepetition Trade Claims. None of the foregoing persons shall have any liability on account of any decision by the Debtors to not pay or to settle a Prepetition Trade Claim for less than the asserted amount of such claim.

10. Nothing herein shall prejudice the Debtors' rights to request additional authority to pay Prepetition Trade Claims.

11. Nothing in this Order nor any actions taken hereunder: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors or their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates to contest the validity, priority, or amount of any claim against the Debtors or their estates; (c) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors or their estates with respect to any and all claims or causes of action against any third party; (d) shall be construed as a promise to pay a claim or continue any applicable program postpetition, which decision shall be in the discretion of the Debtors; or (e) shall create, or is intended to create, any rights in favor of, or enhance the status of any claim held by, any person. Any payment made pursuant to this Order is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

12. Notwithstanding Bankruptcy Rule 6004(h) or any other procedural rule, this Order shall be effective and enforceable immediately upon entry hereof and notice of the Motion as provided therein shall be deemed good and sufficient pursuant to the requirements of Bankruptcy Rule 6004(a) and the Local Rules.

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

14. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.