

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 (A) CONTINUE TO OPERATE
THEIR CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION
OBLIGATIONS RELATED THERETO, AND (C) MAINTAIN EXISTING BUSINESS
FORMS; (II) AUTHORIZING DEBTORS' CONTINUED USE OF CORPORATE
CREDIT CARD PROGRAM; AND (III) GRANTING RELATED RELIEF**

Dynamic Aerostructures LLC ("Dynamic") and its affiliated debtors and debtors in possession (each a "Debtor" and, collectively, the "Debtors") 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

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 either later in this Motion or in the First Day Declaration.



February 29, 2012. Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy 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), 345, 363, 364, 503, and 1107 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 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Rule 9013-1(a).

RELIEF REQUESTED

4. The Debtors seek 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, in their discretion, to (a) continue to operate their Cash Management System (as defined herein), (b) honor certain prepetition obligations related thereto, and (c) maintain existing Bank Accounts and Business Forms (as defined herein); (ii) authorizing continued use of Corporate Credit Cards (as defined herein); and (iii) granting related relief.

5. 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 (as defined herein) or as soon thereafter as the Court’s schedule permits.

BACKGROUND

6. 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.

7. The Debtors are a leading manufacturer and supplier of critical structural components and assemblies for the aerospace and defense industry. The Debtors specialize in complex, large-format structural airframe and wing components, large aluminum structures, and complex assemblies for key aerospace and defense customers such as Lockheed Martin, Northrop Grumman, and Boeing, among others. The Debtors have 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.

8. Additional factual background regarding the Debtors, 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.

A. OVERVIEW OF THE CASH MANAGEMENT SYSTEM

9. The Debtors operate an integrated, centralized cash management system to manage their cash flow in a cost-effective, efficient manner (the “Cash Management System”). The Cash Management System is similar to those commonly employed by businesses comparable in size

and scale to the Debtors. The Debtors use their cash management system in the ordinary course of business to collect, transfer, and distribute funds generated by their operations, and to facilitate cash monitoring, forecasting, and reporting. The Debtors maintain oversight of the Cash Management System and implement cash management controls for receiving, processing, and releasing funds. Additionally, the Debtors regularly reconcile the Debtors' books and records to ensure that they properly account for all transfers.

10. The Cash Management System is tailored specifically to meet the Debtors' operating needs—enabling the Debtors to control and monitor corporate funds, ensure cash availability and liquidity, comply with the requirements of their financing agreements, reduce administrative expenses by facilitating the movement of funds, and enhance the development of accurate account balances. Because of the nature of the Debtors' business, any disruption of the Cash Management System would be materially detrimental to the Debtors' operations, as their business requires prompt access to cash and accurate cash tracking.

B. THE BANK ACCOUNTS AND FLOW OF FUNDS

11. The Cash Management System includes four (4) bank accounts as of the Petition Date (together, the "Bank Accounts," and each individually, a "Bank Account").³ Two of the Bank Accounts are held at BMO Bank N.A. ("BMO") and two accounts are held at Bank of America ("BofA") (together, the "Banks" and each individually, a "Bank"). A list of the Bank Accounts together with a brief description of the function of each account is set forth in Exhibit C hereto.

12. All of the Debtors' customer collections and other receipts are deposited into the BMO Bank Account with the account number ending in 5755 (the "BMO Operating Account").

³ Although the Cash Management System includes three (3) Bank Accounts as of the Petition Date, the Debtors reserve the right to close existing accounts or open new accounts in the ordinary course of business.

With the exception of payroll, all of the Debtors' disbursements, including vendor and supplier payments, insurance payments, tax payments, and any other payments made by the Debtors, are processed and paid through the BMO Operating Account. On Thursday of each week, an amount necessary to pay the Debtors' payroll for that week is transferred from the BMO Operating Account to the BMO Bank Account with the account number ending in 4545 (the "BMO Payroll Account"). The Debtors' weekly payroll obligations are then paid directly from the BMO Payroll Account on Friday of each week. The BofA Bank Account is a cash holding account with a balance of approximately \$194,000 as of the Petition Date.

13. Prior to the Petition Date, the Debtors also established a Bank Account with BofA with account number ending in 2870 that the Debtors propose will hold an adequate assurance deposit for the benefit of the Debtors' utilities providers during the course of these chapter 11 cases.

14. Due to the nature of the Debtors' businesses and the disruption to their businesses that would result if the Debtors were required to close their existing Bank Accounts, it is critical that the Debtors' Bank Accounts remain in place on a postpetition basis.

C. THE DEBTORS' CORPORATE CREDIT CARD PROGRAM

15. The Cash Management System also includes corporate credit cards (collectively, the "Corporate Credit Cards") issued to the Debtors by BofA under a single account (the "Corporate Credit Card Program"). The Debtors generally maintain a prepaid balance under the Corporate Credit Cards of approximately \$48,000, and the Debtors remit payment to BofA in advance each month on account of any Corporate Credit Card Program purchases in the prior month and to restore the prepaid balance to approximately \$48,000. Corporate Credit Cards are

held by five employees of the Debtors and are used to cover certain approved company expenditures, including payments for supplies, repair parts, and similar operating expenses.

16. The Debtors are responsible for paying charges incurred on the Corporate Credit Cards with no personal liability to employees. The combined average monthly spending under the Corporate Credit Card Program is approximately \$35,000, which the Debtors pay by check. As of the Petition Date, the Debtors estimate that they do not owe any amounts to BofA on account of the Corporate Credit Card Program.

17. The Corporate Credit Card Program is an integral part of the Debtors' cash management and accounting functions, and continuation of the ability to use the Corporate Credit Cards is essential to the continued operation of the Debtors' business. Accordingly, the Debtors seek authority, but not direction, to pay any amount due and owing under the Corporate Credit Card Program and continue using the Corporate Credit Card Program in the ordinary course of business on a postpetition basis, including, without limitation, making payments on account of charges that were made pursuant to the Corporate Credit Card Program both prior to and after the Petition Date.

D. THE DEBTORS' EXISTING BUSINESS FORMS AND RECORDS

18. The Debtors use various pre-printed documents (the "Business Forms"), such as checks, invoices, and letterhead, in the ordinary course of business. Because the Business Forms were used prepetition, they do not reference the Debtors' current status as debtors in possession. Nonetheless, most parties doing business with the Debtors will be aware of the Debtors' status as debtors in possession as a result of the publicity surrounding these chapter 11 cases and the notice of commencement served on parties in interest.

19. Requiring the Debtors to change existing Business Forms would unnecessarily distract the Debtors from their restructuring efforts and impose needless expenses on the estates. Thus, the Debtors request that they be authorized to use their existing Business Forms without placing a “Debtor in Possession” legend on each, until their existing stock is depleted. Once the Debtors have exhausted their existing stock of checks or forms, any new check stock or subsequently printed checks or forms will bear the designation “Debtor in Possession” with the joint case number. To the extent that checks or forms are prepared electronically, the Debtors will add a “Debtor in Possession” designation to such checks within fourteen (14) days of the Petition Date.

E. BANK FEES

20. In the ordinary course of business, the Debtors incur periodic service charges and other ordinary course fees to BMO and BofA in connection with maintaining the Cash Management System (collectively, the “Bank Fees”). The Debtors incur approximately \$2,500 in Bank Fees each month under the Cash Management System. The Bank Fees each month are automatically deducted from the Bank Accounts as they are assessed by the applicable Bank. The Debtors estimate that approximately \$2,500 in Bank Fees will come due within the first thirty (30) days of these chapter 11 cases. To maintain the integrity of their Cash Management System, the Debtors request authority to pay all Bank Fees, including to the extent accrued prepetition, and to continue to pay Bank Fees in the ordinary course on a postpetition basis.

BASIS FOR RELIEF

I. AUTHORIZING THE DEBTORS’ CONTINUED USE OF THE CASH MANAGEMENT SYSTEM IS ESSENTIAL TO MAXIMIZING THE VALUE OF THE DEBTORS’ ESTATES

21. The U.S. Trustee Guidelines require debtors in possession to, among other things:

(a) close all existing bank accounts and open the new debtor-in-possession bank accounts;

(b) establish one debtor-in-possession account for all estate monies required for payment of taxes, including payroll taxes; (c) physically set aside all monies required by law to be withheld from employees or collected from other for taxes; (d) open a new set of books and records as of the petition date of a case; (e) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor; and (f) make all disbursements or estate funds by check with a notation representing the reason for disbursement. These requirements are intended to provide a clear line of demarcation between prepetition and postpetition transactions and operations, and to prevent inadvertent payment of prepetition claims.

22. The continuation of the Cash Management System is nevertheless permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). Bankruptcy courts routinely treat requests for authority to continue utilizing existing cash management systems as a relatively “simple matter.” *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). In addition, in granting such relief, courts recognize that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in relevant part*, 997 F.2d 1039, 1061 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (stating that a cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets”).

23. Here, requiring the Debtors to adopt a new, segmented cash management system during these chapter 11 cases would be expensive, burdensome, and unnecessarily disruptive to the Debtors' operations. Importantly, the Cash Management System provides the Debtors with the ability to quickly create status reports on the location and amount of funds, which, in turn, allows management to track and control such funds, ensure cash availability, and reduce administrative costs through a centralized method of coordinating the collection and movement of funds. Any disruption of the Cash Management System could have a negative effect on these chapter 11 cases. New bank accounts would increase operating costs, and the delays that would result from opening new accounts, revising cash management procedures, and redirecting revenues would negatively impact the Debtors' ability to operate their businesses while pursuing these arrangements. Further, the Debtors would be subject to significant administrative burden and expense given that they would need to execute new signatory cards and depository agreements and create an entirely new manual system for issuing checks and paying postpetition obligations, all as would be required by the U.S. Trustee Guidelines. By contrast, maintaining the current Cash Management System will facilitate the Debtors' transition into chapter 11 by, among other things, minimizing delays in paying postpetition debts and eliminating administrative inefficiencies.

24. Accordingly, the Debtors respectfully request that the Court authorize the continued use of the existing Cash Management System and Bank Accounts to facilitate the Debtors' transition into chapter 11.

II. THE COURT SHOULD AUTHORIZE THE BANKS TO CONTINUE TO MAINTAIN SERVICE AND ADMINISTER THE BANK ACCOUNTS IN THE ORDINARY COURSE OF BUSINESS

25. The Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks

should be authorized and directed to receive, process, honor and pay any and all checks and other instructions, and drafts payable through, drawn or directed on the Bank Accounts after the Petition Date by holders, makers or other parties entitled to issue instructions with respect thereto.

26. The Debtors further respectfully request that the Court authorize each of the Banks to receive, process, honor, and pay any and all checks, wire transfer, credit card, and other instructions, and drafts payable through, or drawn or directed on, such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto, irrespective of whether such checks, drafts, wires, or credit card payments are dated prior to or subsequent to the Petition Date, provided that sufficient funds are on deposit in the applicable Bank Accounts to cover such payments. The Debtors also respectfully request that, to the extent a Bank honors a prepetition check or other item drawn on any Bank Account at the direction of the Debtors, in a good faith belief that the Court has authorized such prepetition check or item to be honored, or as the result of an innocent mistake made despite implementation of reasonable procedures, such Bank will not be deemed to be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item honored postpetition. Such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether the Debtors may pay a particular item in accordance with a Court order or otherwise.

27. Finally, the Debtors respectfully request that the Court authorize the Debtors to continue to pay any obligations incurred in connection with the Bank Accounts, whether such items are dated prior to, on, or subsequent to the Petition Date, in the ordinary course of business.

28. The Debtors respectfully submit that parties in interest will not be harmed by the Debtors' maintenance of the Cash Management System, including maintenance of the Bank Accounts, because the Debtors have implemented appropriate mechanisms to ensure that

unauthorized payments will not be made on account of prepetition obligations. Specifically, the Debtors' Bank Accounts are held at BMO and BofA, which are financially stable financial institutions and are authorized depositories under the U.S. Trustee Guidelines. To protect against the unauthorized payment of prepetition obligations, the Debtors represent that, if they are authorized to use the Bank Accounts, they will not pay, and the Banks will be directed not to pay, any debts incurred before the Petition Date other than as authorized by this Court. The Debtors will provide the U.S. Trustee with notice of any new accounts. The Debtors will continue to work closely with the Banks to ensure that appropriate procedures are in place to prevent checks that were issued prepetition from being honored without the Court's approval. In light of such protective measures, the Debtors submit that maintaining the Cash Management System is in the best interests of their estates and creditors.

29. Accordingly, to avoid delays in payments to administrative creditors, to ensure a smooth transition into chapter 11, and to maximize the value of their estates, the Debtors submit that: (a) they should be permitted to continue to maintain their existing Bank Accounts, open new accounts, and close existing accounts as needed; and (b) the requested relief should extend to any new accounts by providing that the new accounts are deemed to be Bank Accounts and are similarly subject to the rights, obligations, and relief granted by this Court.

30. Both as part of the Motion and in other motions that have been concurrently filed, the Debtors are requesting authority to pay, in their discretion, certain prepetition obligations. With respect to certain of these obligations, the Debtors may have issued checks prior to the Petition Date that have yet to clear the banking system. The Debtors intend to inform the Banks which such checks should be so honored. Therefore, the Debtors request that the Banks be authorized and directed to rely on the representations of the Debtors with respect to whether any

check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored. The Debtors further request that the Interim Order and the Final Order specify that the Banks shall not have any liability to any party for relying on such representations. This relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular prepetition check may be honored in accordance with an order by the Court or otherwise.

31. Allowing the Debtors to use their prepetition Cash Management System and engage in related “routine transactions” comports with applicable provisions of the Bankruptcy Code. In particular, section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of this section is to provide a debtor with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors or the court. *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.”) (citations omitted); *In re Vision Metals, Inc.*, 325 B.R. 138, 145 (Bankr. D. Del. 2005) (same). The authority granted by section 363(c)(1) of the Bankruptcy Code extends to a debtor in possession’s continued use of its customary cash management system and, thus, supports the relief requested. *See, e.g., In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007) (noting that courts have shown a reluctance to interfere in a debtor’s making of routine, day-to-day business decisions) (citations omitted); *Vision Metals*, 325 B.R. at 142 (“[W]hen a Chapter 11 debtor-in-possession continues to operate its business, as permitted by section 1108,

no court authorization is necessary for the debtor to enter transactions that fall within the ordinary course of its business.”).

32. To the extent that use of the existing Cash Management System falls outside the ordinary course of business, such use is permitted by sections 363(b)(1) and 105(a) of the Bankruptcy Code. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). To approve use of assets outside the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code, courts require only that the debtor “show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd., Chicago Branch v. Montgomery Wards Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999) (internal citations omitted); *see also In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987). Moreover, if “the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”).

33. In addition, the Court has the authority, pursuant to its equitable powers under Section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their fiduciary duties under Section 1107 of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the

Bankruptcy Code. 11 U.S.C. § 105(a); see *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (applying Section 105(a) to justify an order authorizing the payment of certain prepetition wages, salaries, medical benefits, and business expense claims to debtor’s employees). Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to act as a fiduciary “to protect and preserve the estate, including an operating business’ going-concern value,” on behalf of a debtor’s creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); see also *Unofficial Comm. of Equity Holders of McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232–33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee.”). Courts consistently have permitted payment of prepetition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. See, e.g., *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that “if payment of a claim which arose prior to reorganization is essential to the continued operation of the . . . [business] during reorganization, payment may be authorized even if it is made out of [the] corpus”).

34. The Court may also authorize the payment of prepetition claims in appropriate circumstances under Section 105(a) of the Bankruptcy Code and the doctrine of necessity when such payment is essential to the continued operation of a debtor’s business. See, e.g., *In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that Section 105(a) of the Bankruptcy Code provides a statutory basis for payment of prepetition claims under the doctrine of necessity and noting that “[t]he Supreme Court, the Third Circuit and the District of Delaware all recognize the court’s power to authorize payment of pre-petition claims when such payment is necessary for

the debtor's survival during the chapter 11"); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (confirming that the doctrine of necessity is standard for enabling a court to authorize payment of prepetition claims prior to confirmation of a reorganization plan).

35. As described herein, maintaining the Cash Management System is part of the Debtors' ordinary course business practice and is in the best interests of the Debtors' estates and all parties in interest and, therefore, should be approved. If the Debtors were required to alter the way in which they collect and disburse cash throughout the Cash Management System, their operations would experience severe disruptions, which would ultimately frustrate the Debtors' ability to effectuate their restructuring strategy and maximize the value of their estates.

36. Continuation of the Cash Management System is necessary and appropriate and will allow the Debtors to expeditiously carry out these chapter 11 cases, while still providing protections to the Debtors' creditors by ensuring that the Debtors' cash is used appropriately and in accordance with the applicable provisions of the Bankruptcy Code and this Court's orders.

III. CONTINUED USE OF THE CORPORATE CREDIT CARDS IS APPROPRIATE AND WARRANTED

37. As discussed above, the Debtors utilize the Corporate Credit Cards as a source of credit and as an alternative, efficient payment method with respect to various business expenses. Consistent with their prepetition, ordinary course practices and, as permitted under section 363(c) of the Bankruptcy Code, the Debtors seek to continue to utilize the Corporate Credit Cards on a postpetition basis.

38. The Corporate Credit Cards are an integral part of the Cash Management System which the Debtors rely upon for the continued operation of their business. Should the Debtors lose the ability to use the Corporate Credit Cards to satisfy certain operating expenses, it could seriously harm their business at the outset of these chapter 11 cases. Based on the foregoing, a sound

business purpose exists to maintain the Corporate Credit Card Program postpetition, doing so is consistent with the Debtors' fiduciary duty to preserve the value of their estates, and satisfying any prepetition obligations under the Corporate Credit Card Program is necessary and appropriate under the circumstances. Accordingly, the Debtors submit that the relief requested with respect to the Corporate Credit Cards and Corporate Credit Card Program is warranted and necessary.

IV. THE COURT SHOULD AUTHORIZE THE DEBTORS TO HONOR CERTAIN PREPETITION OBLIGATIONS RELATED TO THE CASH MANAGEMENT SYSTEM

39. Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors seek authority, in their discretion, to pay or reimburse the Banks in the ordinary course of business for any Bank Fees arising prior to, on, or after the Petition Date.

40. Additionally, in most, if not all circumstances, the Banks would be entitled to setoff or recoup fees related to the Bank Accounts based on its account agreements with the Debtors or applicable law. Thus, by authorizing the Debtors to pay or honor such prepetition obligations, the Court will enable the Debtors to normalize operations and avoid the disruption that would otherwise occur if the Bank Accounts were frozen pending payment or resolution of disputes regarding the priority of claims or rights of recoupment.

V. THE COURT SHOULD AUTHORIZE THE DEBTORS TO CONTINUE TO USE EXISTING BUSINESS FORMS AND CHECKS

41. To minimize expenses to their estates, the Debtors also seek authorization to continue using the Business Forms existing immediately prior to the Petition Date, without reference to the Debtors' status as debtors in possession. Modifying existing Business Forms would be burdensome and expensive and would confer no corresponding benefit upon those dealing with the Debtors, most of whom, as noted above, will be aware of the commencement of these chapter 11 cases. The Debtors therefore request authorization to use their existing Business

Forms without adding a “Debtor in Possession” or similar legend. The Debtors will obtain new check stock bearing the designation “Debtor in Possession” after depleting their current check stock. To the extent that Business Forms and checks are prepared electronically, the Debtors will add a “Debtor in Possession” designation to such Business Forms and checks within fourteen days of the Petition Date.

VI. CAUSE EXISTS TO WAIVE THE U.S. TRUSTEE GUIDELINES REGARDING AUTHORIZED DEPOSITORIES ON AN INTERIM AND FINAL BASIS

42. Section 345(a) of the Bankruptcy Code authorizes a debtor in possession to make deposits or investments of estate money in a manner “as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a). For deposits or investments that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345(b) of the Bankruptcy Code provides that the estate must require from the entity with which the money is deposited or invested a bond in favor of the United States secured by the undertaking of an adequate corporate surety, “unless the court for cause orders otherwise.” *Id.* § 345(b).

43. To help debtors comply with section 345(a) of the Bankruptcy Code, the U.S. Trustee has promulgated the U.S. Trustee Guidelines as well the list of Authorized Depositories at which debtors may maintain bank accounts. Under the U.S. Trustee Guidelines, debtors in possession must, among other things, close prepetition bank accounts and open new “debtor in possession” operating, payroll, and tax accounts at an Authorized Depository.

44. As noted above, however, courts may waive compliance with section 345(b) of the Bankruptcy Code, and ultimately the U.S. Trustee Guidelines, for “cause.” In evaluating whether “cause” exists, courts have considered a number of factors, including, among others, the

sophistication and size of a debtor's business, the amounts of the investments involved, bank ratings, the complexity of the case, the debtor's safeguards for the funds, the debtor's ability to reorganize in the face of failure of one or more of the financial institutions, the benefit to the debtor of a waiver of the section 345(b) requirements, the potential harm to the estate, and the reasonableness of such a waiver under the circumstances. *See In re Serv. Merch. Co.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999). Here, these factors warrant a modification of the requirements of section 345 of the Bankruptcy Code to the extent the Cash Management System does not already strictly comply with its requirements.

45. All of the Debtors' Bank Accounts are maintained at either BMO or BofA, each of which is an Authorized Depository. As such, the Debtors believe that they comply with the U.S. Trustee Guidelines. However, because all of the Bank Accounts are vital to the Debtors' Cash Management System, to the extent they do not comply, the Debtors submit that ample cause exists to waive the U.S. Trustee Guidelines and allow all the Debtors to continue to maintain the Bank Accounts.

46. To the extent the Cash Management System and the Bank Accounts do not strictly comply with section 345 of the Bankruptcy Code, the Debtors request that they be permitted to maintain their Bank Accounts in accordance with their existing practices for a 30-day period commencing upon entry of the Interim Order, without prejudice to the Debtors' right to seek further modifications or extensions of time. Congress recognized that strict compliance with the requirements of section 345(b) in large chapter 11 cases such as these is not only unnecessary, but may indeed be inconsistent with section 345(a), which permits a debtor in possession to make such investments of money of the estate "as will yield the maximum reasonable net return on such money." Thus, in 1994, to avoid "needlessly handcuff[ing] larger, more sophisticated debtors,"

Congress amended section 345(b) to provide that its strict investment requirements may be waived or modified if the Court so orders “for cause.” 140 Cong. Rec. H10767 (daily ed. Oct. 4, 1994) (statement of Rep. Brooks).

47. Courts in this district have routinely granted the same or similar relief as requested in this Motion to chapter 11 debtors. *See, e.g., In re OptioRx, LLC*, Case No. 24-11188 (TMH) (Bankr. D. Del. July 1, 2024); *In re GNC Holdings, Inc.*, No 20-11662 (KBO) (Bankr. D. Del. June 25, 2020); *In re Paragon Offshore PLC*, No. 16-10383 (CSS) (Bankr. D. Del. April 6, 2016); *In re Verso Corporation*, No. 16-10163 (KG) (Bankr. D. Del. Feb. 23, 2016); *In re The Standard Register Company*, Case No. 15-10541 (BLS) (Bankr. D. Del. Mar. 13, 2015).⁴

48. The Debtors further request that they be authorized, on an interim basis for thirty (30) days and thereafter, on a final basis, in their sole discretion, to close Bank Accounts and open new bank accounts on notice to parties, if such action becomes necessary for any reason. In connection therewith, the Debtors request that the Bank be authorized to honor the Debtors’ directions with respect to the opening or closing of any bank account, subject to the rights and obligations of any order on this Motion. The Debtors further request that any and all accounts opened by the Debtors on or after the Petition Date at any Bank be deemed a Bank Account (as if it had been opened prior to the Petition Date and included in the list of Bank Accounts set forth herein) and that any and all Banks at which such accounts are opened similarly be subject to the rights and obligations of any order on this Motion.

⁴ Because of the voluminous nature of the orders cited herein, they are not attached to this Motion but are available on request.

IMMEDIATE AND UNSTAYED RELIEF IS NECESSARY

49. The Court may grant the relief requested in this Motion immediately if the “relief 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 “cannot 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.

50. 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 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 day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

51. 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

52. The Debtors will provide notice of this Motion to: (a) United States Trustee for the District of Delaware; (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 (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.

[Text Continues on the Next Page]

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter the Interim Order and the Final Order, substantially in the forms attached 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

CHIPMAN BROWN CICERO & COLE, LLP

/s/ Robert A. Weber

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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) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, AND (C) MAINTAIN EXISTING BUSINESS FORMS; (II) AUTHORIZING DEBTORS' CONTINUED USE OF CORPORATE CREDIT CARD PROGRAM; 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 discretion, to (a) continue to operate their Cash Management System (as defined herein), (b) honor certain prepetition obligations related thereto, and (c) maintain existing Bank Accounts and Business Forms (as defined herein); (ii) authorizing continued use of Corporate Credit Cards; 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

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.

proper in this district pursuant to 28 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 an interim basis as set forth herein.
2. The final hearing on the Motion (the "Final Hearing") is set for _____, 2025 at __:__ a.m./p.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 co-counsel to the Debtors, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036 (Attn: Gregg M. Galardi; email: gregg.galardi@ropesgray.com) and Chipman Brown Cicero & Cole LLP, 1313 N. Market Street, Suite 5400, Wilmington, DE 19801 (Attn: Mark L. Desgrosseilliers and Robert A. Weber; email: desgross@chipmanbrown.com and weber@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. The Debtors are authorized, but not directed, to maintain and use their current Cash Management System existing as of the Petition Date subject to any modification provided herein.

4. The Debtors are authorized to open new bank accounts or close any existing bank accounts as they may deem necessary and appropriate in their discretion; *provided* that (a) the Debtors shall give five days advance notice to the U.S. Trustee and any statutory committees appointed in these chapter 11 cases, and (b) any new bank account shall be at a bank that has executed a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware, or at such bank that is willing to immediately execute such an agreement. The relief granted in this Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened.

5. In each instance in which the Debtors hold an account at a Bank that is a party to a Uniform Depository Agreement with the U.S. Trustee, as soon as reasonably practicable from the date of entry of this Order, the Debtors shall (a) contact the Bank; (b) provide the Bank with each of the Debtors' employer identification numbers; and (c) identify each of their accounts held at the Bank as being held by a debtor in possession and provide the case number.

6. The Bank Accounts are deemed debtor in possession accounts. The Debtors are authorized to maintain and use the Bank Accounts in the same manner and with the same account number, styles, and document forms as those employed prior to the Petition Date, including, without limitation: (a) to deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, drafts, electronic fund transfers, and other debits or items presented, issued, or drawn on the Bank Accounts, provided in each case to the extent of available funds and consistent with the terms of this Order, (b) to pay ordinary course Bank Fees in connection with the Bank Accounts, including, any Bank Fees arising prior to the Petition Date, and (c) to perform their obligations under the documents and agreements governing the Bank Accounts, including without limitation, any prepetition Cash Management System agreements or treasury services agreements, in each case subject to the terms of each applicable deposit account control agreement.

7. The Debtors are authorized to pay or reimburse the Banks and service providers in the ordinary course of business for any Bank Fees arising prior to or after the Petition Date. All amounts due to the Banks for Bank Fees shall have administrative expense priority status pursuant to section 503(b)(1) of the Bankruptcy Code.

8. Those agreements existing between the Debtors and the Banks as of the Petition Date shall continue to govern the postpetition cash management relationship between the Debtors and the Banks and all of the provisions of such agreements, including any termination, fee provisions, rights, benefits, collateral, and offset rights, and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with the Banks (including, for the avoidance of doubt, any rights of the Banks to use funds from the Bank Accounts to remedy any overdraft of another Bank Accounts or

other cash management obligations, whether prepetition or postpetition, to the extent permitted under the applicable agreement), unless the Debtors and the applicable Bank agree otherwise, and any other legal rights and remedies afforded to the Banks under applicable law shall be preserved.

9. Each Bank is authorized and directed without the need for further order of this Court to in the ordinary course of business: (a) continue to administer, service, and maintain, the Bank Accounts as such account was administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course; (b) receive, process, honor, and pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, payment orders, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “Disbursements”) on account of a claim; and (c) debit the Bank Accounts for: (i) all undisputed prepetition bank and service fees outstanding as of the date hereof, if any, owed to the applicable Bank for the maintenance of the Cash Management System; (ii) all checks drawn on the Debtors’ Bank Accounts which were cashed at the Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; and (iii) all checks or other items deposited in the Debtors’ Bank Accounts at the Banks prior to the Petition Date, which have been dishonored or returned unpaid for any reason, including but not limited to dishonored checks, wire transfers, ACH payments (credits or debits) or other electronic transfers or debits and any and all obligations, chargebacks, returns or liabilities, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date.

10. Subject to the provisions of this Order and unless a Bank has actual knowledge to the contrary, each Bank is authorized to and shall rely on the representations of the Debtors as to which Disbursements are authorized to be honored or dishonored, whether or not such Disbursements are dated, drawn, or issued prior to, on, or subsequent to the Petition Date. The

applicable Bank shall not be deemed in violation of this Order and shall have no liability for relying on such representations by the Debtors, without any duty of further inquiry, or honoring any Disbursement that is subject to this Order either (a) at the direction of the Debtors to honor such prepetition Disbursement, (b) in the good faith belief that this Court has authorized such prepetition Disbursement to be honored, or (c) as a result of an innocent mistake made despite implementation of reasonable item-handling procedures. To the extent that the Debtors direct that any Disbursement be dishonored or the applicable Bank inadvertently dishonors any Disbursements, the Debtors may issue replacement Disbursements consistent with the orders of this Court.

11. Each Bank is further authorized to (a) honor the Debtors' directions with respect to the opening or closing of any Bank Account, and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, and the applicable Bank shall have no liability to any party for relying on such representations or instructions.

12. The Debtors shall serve a copy of this Order on the Banks within five (5) business days of the entry of this Order, and upon any bank at which the Debtors open a new bank account, immediately upon the opening of such new account.

13. In connection with the ongoing use of their Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions. The Debtors, upon consultation with the DIP Agent, the Banks, and any statutorily appointed committee, may agree, without further order of this Court, to implement any changes to the Cash Management System and procedures in the ordinary course of business and not inconsistent with this Order that they deem appropriate in their discretion, including, without

limitation, closing the Bank Accounts or opening new bank accounts as set forth herein in paragraph 4.

14. The Debtors are authorized to continue to use the Corporate Credit Cards in the ordinary course of business during these cases and pay prepetition and postpetition amounts incurred on account of the Corporate Credit Cards pursuant to the terms of the Corporate Credit Card Program.

15. The Debtors are authorized to continue to use their existing Business Forms without alteration or change and without the designation “Debtor in Possession” imprinted upon them; *provided, however*, once the Debtors’ existing checks have been used, the Debtors shall, when reordering checks, require the designation “Debtor in Possession” and the corresponding bankruptcy case number on all checks; *provided further* that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the “Debtor in Possession” legend and the bankruptcy case number on such items within fourteen (14) days of the date of entry of this Order.

16. The Debtors shall calculate quarterly fees payable under 28 U.S.C. § 1930(a)(6) based on the disbursements of (or on behalf of) each Debtor regardless of which entity actually makes such disbursements.

17. 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.

18. Notwithstanding anything to the contrary contained in the Motion or in this Order, the Debtors shall provide reasonable advance notice to counsel to the DIP Lender of any material changes or modifications to the Debtors' historical policies and practices with respect to any action taken or proposed to be taken hereunder, and the Debtors, in consultation with the DIP Lender, shall seek Court approval, on notice, of any such material changes or modification to the extent required under the Bankruptcy Code.

19. The requirements of Bankruptcy Rule 6003 are satisfied.

20. 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.

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

22. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

23. This Court shall retain exclusive 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-xxxxxx (xxx)

(Joint Administration Pending)

Related Docket No.

FINAL ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM, (B) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED THERETO, AND (C) MAINTAIN EXISTING BUSINESS FORMS; (II) AUTHORIZING DEBTORS' CONTINUED USE OF CORPORATE CREDIT CARD PROGRAM; 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 discretion, to (a) continue to operate their Cash Management System (as defined herein), (b) honor certain prepetition obligations related thereto, and (c) maintain existing Bank Accounts and Business Forms (as defined herein); (ii) authorizing continued use of Corporate Credit Cards; 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

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 such terms in the Motion.

proper in this district pursuant to 28 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, if necessary, 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 authorized, but not directed, to maintain and use their current Cash Management System existing as of the Petition Date subject to any modification provided herein.
3. The Debtors are authorized to open new bank accounts or close any existing bank accounts as they may deem necessary and appropriate in their discretion; *provided* that (a) the Debtors shall give five days advance notice to the U.S. Trustee, the DIP Agent, and any statutory committees appointed in these chapter 11 cases, and (b) any new bank account shall be at a bank that has executed a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware, or at such bank that is willing to immediately execute such an agreement. The relief granted in this Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened.

4. In each instance in which the Debtors hold an account at a Bank that is a party to a Uniform Depository Agreement with the U.S. Trustee, to the extent the Debtors did not previously do so following entry of the Interim Order, the Debtors shall as soon as possible (a) contact the Bank, (b) provide the Bank with each of the Debtors' employer identification numbers, and (c) identify each of their accounts held at the Bank as being held by a debtor in possession and provide the case number.

5. The U.S. Trustee Guidelines are hereby modified such that the Debtors are not required to: (a) close all existing bank accounts and open new debtor in possession accounts or (b) establish specific bank accounts for tax payments.

6. The Bank Accounts are deemed debtor in possession accounts. The Debtors are authorized to maintain and use the Bank Accounts in the same manner and with the same account number, styles, and document forms as those employed prior to the Petition Date, including, without limitation: (a) to deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, ACH transfers, drafts, electronic fund transfers, and other debits or items presented, issued, or drawn on the Bank Accounts, provided in each case to the extent of available funds and consistent with the terms of this Order, (b) to pay ordinary course Bank Fees in connection with the Bank Accounts, including any Bank Fees arising prior to the Petition Date, and (c) to perform their obligations under the documents and agreements governing the Bank Accounts, including without limitation, any prepetition Cash Management System agreements or treasury services agreements, in each case subject to the terms of each applicable deposit account control agreement.

7. The Debtors are authorized to pay or reimburse the Banks and service providers in the ordinary course of business for any Bank Fees arising prior to or after the Petition Date. All

amounts due to the applicable Bank for Bank Fees shall have administrative expense priority status pursuant to Section 503(b) of the Bankruptcy Code.

8. Those agreements existing between the Debtors and the Banks as of the Petition Date shall continue to govern the postpetition cash management relationship between the Debtors and the Banks and all of the provisions of such agreements, including any termination, fee provisions, rights, benefits, collateral, and offset rights, and remedies afforded under such agreements shall remain in full force and effect absent further order of the Court or, with respect to any such agreement with the Banks (including, for the avoidance of doubt, any rights of the Banks to use funds from the Bank Accounts to remedy any overdraft of another Bank Account or other cash management obligations, whether prepetition or postpetition, to the extent permitted under the applicable agreement), unless the Debtors and the Bank agree otherwise, and any other legal rights and remedies afforded to the Banks under applicable law shall be preserved.

9. Each Bank is authorized and directed without the need for further order of this Court to in the ordinary course of business: (a) continue to administer, service, and maintain, the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption and in the ordinary course; (b) receive, process, honor, and pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, payment orders, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “Disbursements”) on account of a claim; and (c) debit the Bank Accounts for: (i) all undisputed prepetition bank and service fees outstanding as of the date hereof, if any, owed to the applicable Bank for the maintenance of the Cash Management System; (ii) all checks drawn on the Debtors’ Bank Accounts which were cashed at the Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; and (iii) all checks or other items deposited in the Debtors’ Bank Accounts at the

Banks prior to the Petition Date, which have been dishonored or returned unpaid for any reason, including but not limited to dishonored checks, wire transfers, ACH payments (credits or debits) or other electronic transfers or debits and any and all obligations, chargebacks, returns or liabilities, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date.

10. Subject to the provisions of this Order and unless the applicable Bank has actual knowledge to the contrary, each Bank is authorized to and shall rely on the representations of the Debtors as to which Disbursements are authorized to be honored or dishonored, whether or not such Disbursements are dated, drawn, or issued prior to, on, or subsequent to the Petition Date, and whether or not the applicable Bank believes the payment is authorized by an order of the Court. Each Bank shall not be deemed in violation of this Order and shall have no liability for relying on such representations by the Debtors, without any duty of further inquiry, or honoring any Disbursement that is subject to this Order either (a) at the direction of the Debtors to honor such prepetition Disbursement, (b) in the good faith belief that this Court has authorized such prepetition Disbursement to be honored, or (c) as a result of an innocent mistake made despite implementation of reasonable item-handling procedures. To the extent that the Debtors direct that any Disbursement be dishonored or the applicable Bank inadvertently dishonors any Disbursements, the Debtors may issue replacement Disbursements consistent with the orders of this Court.

11. Each Bank is further authorized to (a) honor the Debtors' directions with respect to the opening or closing of any Bank Account, and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions, and the applicable Bank shall have no liability to any party for relying on such representations or instructions.

12. The Debtors shall serve a copy of this Order on the Banks within five (5) business days of the entry of this Order, and upon any bank at which the Debtors open a new bank account, immediately upon the opening of such new account.

13. In connection with the ongoing use of their Cash Management System, the Debtors shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions. The Debtors, upon consultation with the DIP Agent, the Banks, and any statutorily appointed committee, may agree, without further order of this Court, to implement any changes to the Cash Management System and procedures in the ordinary course of business and not inconsistent with this Order that they deem appropriate in their discretion, including, without limitation, closing the Bank Accounts or opening new bank accounts as set forth herein in paragraph 3.

14. The Debtors are authorized to continue to use the Corporate Credit Cards in the ordinary course of business during these cases and pay prepetition and postpetition amounts incurred on account of the Corporate Credit Cards pursuant to the terms of the Corporate Credit Card Program.

15. The Debtors are authorized to continue to use their existing Business Forms without alteration or change and without the designation “Debtor in Possession” imprinted upon them; *provided, however*, once the Debtors’ existing checks have been used, the Debtors shall, when reordering checks, require the designation “Debtor in Possession” and the corresponding bankruptcy case number on all checks; *provided further* that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the “Debtor in

Possession” legend and the bankruptcy case number on such items within fourteen (14) days of the date of entry of this Order.

16. The Debtors shall calculate quarterly fees payable under 28 U.S.C. § 1930(a)(6) based on the disbursements of (or on behalf of) each Debtor regardless of which entity actually makes such disbursements.

17. 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.

18. Notwithstanding anything to the contrary contained in the Motion or in this Order, the Debtors shall provide reasonable advance notice to counsel to the DIP Lender of any material changes or modifications to the Debtors’ historical policies and practices with respect to any action taken or proposed to be taken hereunder, and the Debtors, in consultation with the DIP Lender, shall seek Court approval, on notice, of any such material changes or modification to the extent required under the Bankruptcy Code.

19. The requirements of Bankruptcy Rule 6003 are satisfied.

20. 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.

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

22. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

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

EXHIBIT C**Bank Accounts**

Entity	Bank	Account Number (Last 4 Digits)	Account Purpose
Forrest Machining LLC	BMO Bank N.A.	4545	Payroll
Forrest Machining LLC	BMO Bank N.A.	5755	Operational Collections/Disbursements
Forrest Machining LLC	Bank of America	3082	Cash Holding Account
Forrest Machining LLC	Bank of America	2870	Utility Deposit Account