

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

In re:

Dynamic Aerostructures LLC, *et al.*,  
Debtors.<sup>1</sup>

Chapter 11

Case No. 25-10292 (LSS)

(Jointly Administered)

**Related Docket Nos. 82 and 83**

**NOTICE OF FILING OF REDACTED VERSION OF COMMERCIAL AGREEMENT  
AND CONSENT TO ASSUMPTION AND ASSIGNMENT**

**PLEASE TAKE NOTICE THAT** on March 4, 2025, the Debtors filed the *Motion for Entry of Order Approving Settlement with Northrop Grumman Systems Corporation* [Docket No. 82] (the “**9019 Motion**”).

**PLEASE TAKE FURTHER NOTICE THAT** on March 4, 2025, the Debtor also filed the *Debtors’ Motion to File under Seal* [Docket No. 83] (the “**Motion to Seal**”) requesting to file under seal the 9019 Motion, together with the exhibit thereto. The *Commercial Agreement and Consent to Assumption and Assignment* (the “**Agreement**”) was attached as Exhibit B to the 9019 Motion.

**PLEASE TAKE FURTHER NOTICE** that the Office of the United States Trustee (the “**U.S. Trustee**”) had comments regarding the Motion to Seal and requested that a redacted version of the Agreement be filed on the Court’s docket.

**PLEASE TAKE FURTHER NOTICE THAT** attached hereto as **Exhibit A** is a redacted version of the Agreement that addresses the U.S. Trustee’s comments.

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<sup>1</sup> 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.



Dated: Wilmington, Delaware  
April 4, 2025

**CHIPMAN BROWN CICERO & COLE, LLP**

/s/ Mark L. Desgrosseilliers

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*Counsel to the Debtors and Debtors in Possession*

# **EXHIBIT A**

*Execution Version*

**COMMERCIAL AGREEMENT AND CONSENT TO ASSUMPTION AND  
ASSIGNMENT**

This Settlement Agreement and Consent to Assumption and Assignment (together with all Exhibits and Schedules hereto, this “Agreement”) is made as of February 25, 2025, by and between Forrest Machining LLC (“FMI”) and Northrop Grumman Systems Corporation (“NGSC,” together with FMI, the “Parties,” and each, a “Party”).

**WHEREAS**, FMI and NGSC are parties to certain agreements and purchase orders more particularly described in the Term Sheet for Assumption and Assignment of NGSC Agreements attached hereto as Exhibit A (the “Term Sheet”) and defined in the Term Sheet as the “NGSC Agreements” and the “NGSC POs.”

**WHEREAS**, FMI intends to commence a voluntary case (the “Chapter 11 Case”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware.

**WHEREAS**, Avem Partners (“Avem”) intends to acquire substantially all of FMI’s assets through a sale pursuant to section 363 of the Bankruptcy Code (the “Sale”).

**WHEREAS**, the Parties have agreed on the terms and conditions reflected in the Term Sheet, which sets forth, among other things, (a) the conditions upon which NGSC will consent to the assumption and assignment to Avem of the NGSC Agreements and the NGSC POs, (b) the resolution of certain claims between the Parties, and (c) modified pricing for FMI in connection with the Chapter 11 Case.

**NOW, THEREFORE**, in consideration of the foregoing and the representations, covenants, and agreements set forth herein and in the Term Sheet, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows.

1. Agreement to Term Sheet. The Parties hereby agree to be bound by the terms and conditions of the Term Sheet and to perform all obligations under the Term Sheet in accordance with such terms and conditions. This Agreement shall terminate at the same time and on the same terms as the Term Sheet.
2. Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits and Schedules hereto, including the Term Sheet) constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by each Party, or in the case of a waiver, by the Party against whom the waiver is to be effective.
3. Counterparts. For the convenience of the Parties, this Agreement may be executed and delivered (by facsimile or PDF signature) in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

4. Governing Law. This Agreement shall be construed and interpreted, and the rights of the Parties determined in accordance with, the laws of the State of California.

5. Binding Effect; Assignment. This Agreement shall be binding upon the Parties and inure to the benefit of the Parties and their respective successors and permitted assigns. No assignment of this Agreement or of any rights or obligations hereunder may be made by any Party (by operation of Law or otherwise) without the prior written consent of the other Parties and any attempted assignment without the required consents shall be void.

6. Severability. If any term, condition or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a manner adverse to any Party. Upon such determination that any term, condition or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

7. Injunctive Relief. The Parties agree that damages at law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement by the Parties, and, accordingly, each of the Parties shall be entitled to injunctive relief with respect to any such breach, including specific performance of such covenants, promises or agreements or an order enjoining any other Party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement by such Party, all without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting bond. The rights set forth in this Section 7 shall be in addition to any other rights which the Parties may have at law or in equity pursuant to this Agreement.

8. Time of the Essence. Time is of the essence in the performance of each of the obligations of the Parties and with respect to all covenants and conditions to be satisfied by the Parties in this Agreement and all documents, acknowledgments and instruments delivered in connection herewith.


9. Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted assigns and nothing herein express or implied shall give or be construed to give to any party, other than the Parties and such permitted assigns, any legal or equitable rights hereunder.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed as of the date set forth above.

**NORTHROP GRUMMAN SYSTEMS  
CORPORATION**

By: \_\_\_\_\_  
Name: Garrett Luzzi  
Title: Procurement Manager, Machine Structures

**FORREST MACHINING LLC**

By:  \_\_\_\_\_  
Name: ERIC ELLIS  
Title: CEO

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be duly executed as of the date set forth above.

**NORTHROP GRUMMAN SYSTEMS  
CORPORATION**

By:  \_\_\_\_\_

Name: Garrett Luzzi

Title: Procurement Manager, Machine Structures

**FORREST MACHINING LLC**

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT A**



**Term Sheet for Assumption and Assignment of NGSC Agreements**

This term sheet (this “Term Sheet”) sets forth the terms and conditions on which Northrop Grumman Systems Corporation (“NGSC”) will consent to the assumption by Forrest Machining LLC (“FMI”) and assignment to Avem Partners (“Purchaser”) of the NGSC Agreements and the NGSC POs (each as defined below) in the event that FMI commences a voluntary case (the “Chapter 11 Case”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), subject to any required approvals of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), as further described below. The terms hereof are subject to further documentation as may be required by NGSC in its sole discretion.

Subject to the detailed provisions that follow, this Term Sheet seeks to accomplish the following:

1. NGSC’s consent to Purchaser’s acquisition of FMI’s business, including the NGSC Agreements and NGSC POs and pricing for FMI in the event of any termination of the proposed sale to the Purchaser in the Chapter 11 Case.
2. Resolution of specific amounts claimed by and against FMI and NG in connection with the sale of FMI’s assets to Purchaser.

<p><b>Existing Agreements and Purchase Orders</b></p>	<p>“<u>NGSC Agreements</u>” means each of the following agreements with FMI, in each case, as amended, supplemented, or otherwise modified from time to time:</p> <ul style="list-style-type: none"> <li>• [REDACTED]</li> </ul> <p>“<u>NGSC POs</u>” means each of the following purchase orders with FMI, in each case, as amended, supplemented, or otherwise modified from time to time:</p> <ul style="list-style-type: none"> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> <li>• [REDACTED]</li> </ul>
<p><b>Assumption and Assignment</b></p>	<p>“<u>Sale</u>” means a sale of sufficient assets of FMI to Purchaser, pursuant to section 363 of the Bankruptcy Code, that will, in NGSC’s sole discretion, result in</p>

	<p>Purchaser’s continued operation of FMI’s business in a manner that will enable Purchaser to perform under and satisfy the requirements of the NGSC Agreements and NGSC POs.</p> <p>“<u>Sale Effective Date</u>” means the date on which all of the following conditions have been satisfied:</p> <ul style="list-style-type: none"> <li>• The Sale has closed.</li> <li>• The NGSC Agreements and NGSC POs, as modified by that certain agreement by and between NGSC and Purchaser (which shall have become effective in accordance with its terms) have been assumed and assigned to Purchaser pursuant to an order of the Bankruptcy Court in form and substance acceptable to NGSC in its sole discretion.</li> <li>• FMI has remained in compliance with all, and has not breached any, of the terms and conditions of this Term Sheet.</li> </ul> <p>Subject to the terms and conditions set forth in this Term Sheet and the occurrence of the Sale Effective Date, NGSC will consent to the assumption and assignment of the NGSC Agreements and the NGSC POs by FMI to Purchaser pursuant to section 365 of the Bankruptcy Code.</p>
<p><b>Claim Withdrawal</b></p>	<p>The parties acknowledge and agree that NGSC has valid a claim against FMI in the amount of \$4,000,000 relating to [REDACTED] (the “[REDACTED] Claim”). Subject to and effective upon the occurrence of the Sale Effective Date, NGSC agrees to withdraw the [REDACTED] Claim against FMI.</p>
<p>[REDACTED]</p>	<p>FMI has asserted a claim in respect of [REDACTED].</p> <p>To date, NGSC has advanced certain amounts to FMI on account of the [REDACTED] to assist in addressing FMI’s liquidity issues prior to the commencement of the Chapter 11 Case.</p> <p>Subject to the occurrence of the Sale Effective Date, FMI agrees that NGSC shall be entitled to retain the full amount of such payments, and FMI waives and relinquishes any right to such amounts.</p>
<p><b>Releases</b></p>	<p>Subject to and effective upon the occurrence of the Sale Effective Date, each of the Parties, on behalf of itself and its present or future affiliates, assigns or successors, hereby fully, finally, forever, irrevocably, and unconditionally waives, releases, acquits, indemnifies against and discharges the other Party and its affiliates, and each of their respective past or present officers, directors, principals, partners, members, shareholders, employees, agents,</p>

	<p>representatives, attorneys, successors, and assigns from any and all claims, demands, rights, debts, liabilities, and causes of action of every nature and description whatsoever, under any theory of law, including, without limitation, statutory, constitutional, contractual, or common law claims, of any jurisdiction, foreign or domestic, whether known or unknown, whether in law or equity, whether or not concealed or hidden, asserted or that could have been asserted, that accrued at any time before the closing of the Sale or have yet to accrue, for any type of relief, including, without limitation, claims for damages based in statute or common law, compensatory damages, penalties, punitive damages, interest, costs, and attorney fees, restitution, equitable or injunctive relief, including those that arise from or relate to the NGSC Agreements or NGSC POs, in each case that such party may now have or hereafter acquire; <i>provided</i> that notwithstanding anything to the contrary herein, nothing herein shall release, waive, or modify any claims or obligations arising under the express terms of this Term Sheet.</p> <p>Each Party hereby waives any and all rights which it has or may have under the provisions of Section 1542 of the California Civil Code as now worded and as thereafter amended, along with any other similar statutes and principles of law in other jurisdictions. Section 1542 of the California Civil Code reads as follows:</p> <p>A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.</p>
<p><b>Pricing</b></p>	<p>After entry of the Approval Order (defined below) and prior to the Sale Effective Date, NGSC will modify the NGSC PO per-unit pricing of the parts listed on <u>Annex 1</u> to reflect the prices listed therein, with such pricing to be effective as of the Petition Date (the “<u>Modified Pricing</u>”).</p> <p>Commencing on the Petition Date, NGSC shall be entitled to recoup, net, or deduct the aggregate amount of \$ [REDACTED] (representing overpayments by NGSC prior to the Petition Date) against amounts due to FMI from and after the Petition Date (the “<u>Credit</u>”).</p> <p>The Approval Order shall ratify the Modified Pricing and the Credit.</p>
<p><b>Schedule Realignment</b></p>	<p>Prior to the Petition Date, FMI will realign the contract delivery dates identified in <u>Annex 2</u>.</p>
<p><b>Sale to Alternative Purchaser</b></p>	<p>NGSC shall not object to any sale of FMI’s assets (other than the NGSC Agreements, NGSC POs, and this Term Sheet) to a purchaser other than</p>

	<p>Purchaser (the “<u>Alternative Purchaser</u>”); provided, however, that (a) the NGSC Agreements, NGSC POs, and this Term Sheet shall not be assignable to an Alternative Purchaser absent NGSC’s written consent, which shall be subject to NGSC’s sole discretion, and (b) nothing herein shall affect NGSC’s right to contest or dispute the assumption and assignment of the NGSC Agreements, NGSC POs, or this Term Sheet to an Alternative Purchaser in connection with such a sale. For the avoidance of doubt, that certain term sheet between NGSC and CRG Financial (“<u>CRG</u>”) dated as of even date herewith (the “<u>CRG Term Sheet</u>”) shall constitute NGSC’s consent to the assumption and assignment of the NGSC Agreements and the NGSC POs subject to the terms and conditions set forth therein.</p> <p>Notwithstanding the foregoing, except as expressly set forth in the CRG Term Sheet, NGSC does not waive (1) any claims, including cure claims, in connection with the assumption and assignment of (a) the NGSC Agreements; (b) the NGSC POs; or (c) this Term Sheet; or (2) any claim in connection with prior NGSC Agreements or NGSC POs, in any sale to an Alternative Purchaser in the Chapter 11 Case, but FMI reserves all rights to contest or dispute any such claims.</p>
<p><b>NG-Purchased Material</b></p>	<p>Notwithstanding anything to the contrary under the NGSC Agreements, NGSC POs, any other document, or otherwise applicable law, FMI agrees that, until the Sale Effective Date, all inventory and raw material paid for directly by NGSC and delivered to FMI on or before the date of this Term Sheet (“<u>NGSC-Owned Inventory</u>”) shall be deemed purchased and owned by, and delivered to, NGSC, and, from such time, NGSC shall be the sole owner of such NGSC-Owned Inventory, holding all right, title, and interest in such NGSC-Owned Inventory, free and clear of all liens, claims, and encumbrances. To the extent that FMI shall thereafter maintain physical possession of any NGSC-Owned Inventory, whether or not at facilities owned or leased by FMI, FMI shall hold such NGSC-Owned Inventory in custody and trust for NGSC as the agent of NGSC, at no further cost to NGSC, and FMI shall have no further ownership, title, or other rights or interests in such NGSC-Owned Inventory, and shall use such NGSC-Owned Inventory only for purposes of performing its obligations under the NGSC Agreements and NGSC POs. During any such custodial period, FMI shall segregate all such NGSC-Owned Inventory from all assets of FMI and any other third parties, shall mark all such NGSC-Owned Inventory clearly with an indication that such NGSC-Owned Inventory is property of NGSC and not FMI, and shall not hold itself out as the owner of, or permit any liens or security interests to attach to, such NGSC-Owned Inventory. FMI shall, at NGSC’s direction, permit NGSC to remove and take possession of all such NGSC-Owned Inventory in FMI’s custody at any given time. For the avoidance of doubt, NGSC shall not be required to purchase any inventory or raw material for FMI.</p>
<p><b>Tooling</b></p>	<p>Notwithstanding anything to the contrary under the NGSC Agreements, NGSC POs, any other document, or otherwise applicable law, FMI</p>



	<p>acknowledges and agrees that all tooling and equipment made available by NGSC to FMI (the “Tooling”) is owned by, and title to such Tooling is held by, NGSC for its own account or for the account of the United States Government, as applicable, and is and will remain free and clear of any liens, claims, or encumbrances, irrespective of the physical location of such Tooling. To the extent that the Tooling is located at premises owned or controlled by FMI, such party acknowledges that it is holding the Tooling on behalf of, and in trust for, NGSC.</p> <p>FMI acknowledges and agrees that NGSC is entitled to remove the Tooling from its premises at any time during normal business hours without notice, and FMI shall cooperate with NGSC to facilitate the removal and retrieval of the Tooling.</p>
<p><b>Certain Bankruptcy Matters</b></p>	<p>Promptly upon commencement of the Chapter 11 Case, FMI shall seek any required Bankruptcy Court approval for the implementation of this Term Sheet, in consultation with NGSC, including:</p> <ul style="list-style-type: none"> <li>(a) FMI shall obtain, on an expedited basis, entry of an order approving, to the extent necessary, the provisions of this Term Sheet (the “Approval Order”) pursuant to Federal Rule of Bankruptcy Procedure 9019, which Approval Order shall be in form and substance acceptable to NGSC in its sole discretion.</li> <li>(b) The order approving FMI’s debtor-in-possession financing arrangement, which shall be in form and substance acceptable to NGSC in its sole discretion, shall make clear that the NGSC-Owned Inventory and Tooling is not property of FMI’s estate, is owned by NGSC and/or the United States Government, and shall not be subject to any liens, claims or encumbrances.</li> <li>(c) FMI shall obtain approval of the releases contained in the sections of this Term Sheet titled, [REDACTED] Claim Withdrawal, [REDACTED], and Releases, in the order approving the Sale, which shall be in form and substance acceptable to NGSC in its sole discretion.</li> </ul> <p>FMI shall provide NGSC’s counsel with drafts of the foregoing documents (and any motions for approval of such documents) no later than three (3) days before such documents are filed with the Bankruptcy Court.</p> <p>This Term Sheet shall immediately and automatically terminate and be of no further force and effect upon the occurrence of any of the following (unless as of such time NGSC expressly agrees otherwise in writing):</p>

	<p>(a) FMI shall not have commenced the Chapter 11 Case and filed a motion to approve an executed asset purchase agreement with Purchaser by March 3, 2025.</p> <p>(b) FMI shall not have obtained entry of the Approval Order by March [17], 2025, which shall have become a final order by March 31, 2025.</p> <p>(c) FMI shall seek to assume or assign the NGSC Agreements and/or the NGSC POs to a party other than the Purchaser without the prior written consent of NGSC, or shall seek to transfer or grant any lien on any NGSC-Owned Inventory or Tooling other than in connection with the Sale or as otherwise expressly agreed in writing by NGSC.</p> <p>(d) The occurrence of a default or event of default under FMI’s debtor-in-possession financing agreement (other than a default or event of default caused by the termination the purchase agreement with Purchaser so long as CRG agrees to consummate a sale in accordance with the terms and conditions of the CRG Term Sheet) or any such financing purports to grant a lien on any of the NGSC-Owned Inventory or Tooling.</p> <p>(e) FMI shall fail to comply with the NGSC Agreements, NGSC POs, or this Term Sheet.</p> <p>(f) The Bankruptcy Court shall not have entered an order, in form and substance acceptable to NGSC, approving the Sale and the assumption and assignment of the NGSC Agreements and NGSC POs, as modified by this Term Sheet, or a sale and assumption and assignment of the NGSC Agreements and NGSC POs, as modified by this Term Sheet, to an Alternative Purchaser on terms acceptable to NGSC, by the date that is 75 days after the Petition Date.</p> <p>The sections of this Term Sheet titled NG-Purchased Material and Tooling shall survive the termination of this Term Sheet.</p> <p>The automatic stay under section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to effectuate this Term Sheet and to permit NGSC to exercise its rights and remedies hereunder.</p>
<p><b>Confidentiality</b></p>	<p>Absent prior express written consent of NGSC, FMI will keep confidential the terms of this Term Sheet. To the extent it is necessary to file this Term Sheet in FMI’s Chapter 11 Case, FMI shall seek to file this Term Sheet under seal. If the Bankruptcy Court denies FMI’s request to file this Term Sheet under seal, FMI will seek to redact this Term Sheet to the maximum extent possible in coordination with NGSC.</p>

## **Annexes Redacted / Under Seal**