IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Dynamic Aerostructures LLC, *et al.*,	Case No. 25-10292 (xxx)
Debtors.[1]	(*Joint Administration Pending*)

DECLARATION OF MATTHEW GUILL IN SUPPORT DEBTORS' MOTION TO OBTAIN POSTPETITION DEBTOR IN POSSESSION FINANCING

I, Matthew Guill, pursuant to 28 U.S.C. § 1764, hereby declare and state:

1. I am a Director of Configure Partners, LLC ("Configure"), an investment banking firm that provides strategic and financial advisory services in restructuring transactions and the proposed investment banker for the above-captioned debtors and debtors in possession (collectively, the "Debtors" or the "Company") in these chapter 11 cases and am duly authorized to execute this declaration (the "Declaration") on behalf of Configure. I am familiar with the matters set forth herein and, if called as a witness, I could and would testify thereto.

2. I submit this Declaration in support of the DIP Motion,[2] including the financing package proposed therein (the "DIP Facility").

3. Although Configure is expected to be compensated for its work as the Debtors' proposed investment banker in these chapter 11 cases, I am not being compensated separately for

[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] "DIP Motion" means the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Senior Secured Financing, (II) Authorizing the Debtors to Use Cash Collateral on a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief. Capitalized terms used but not otherwise defined herein have the meaning given them in the DIP Motion.

this declaration or testimony. I am above 18 years of age, and I am competent to testify. If called upon to testify, I would testify competently to the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors.

4. The statements in this declaration are, except where specifically noted, based on (a) my personal knowledge, (b) my discussions with the senior management of the Debtors, other members of the Configure team, the Debtors' other advisors, or other interested parties, (c) my review of relevant documents, or (d) my view based upon my experience, knowledge, and information concerning the Debtors' operations and financial affairs.

CONFIGURE'S QUALIFICATIONS AND SERVICES

5. I and other Configure professionals, including while employed at other firms, are providing or have provided financial advisory, investment banking, and other services in connection with the in-court restructuring of numerous companies, including the following: *In re FB Debt Financing Guarantor, LLC*, Case No. 23-10025 (KBO) (Bankr. D. Del. 2023) (investment banker to the debtors); *In re CMC II, LLC*, Case No. 21-10461 (JTD) (Bankr. D. Del. 2021) (investment banker to the debtors); *In re K.G. IM, LLC*, Case No. 2011723 (MG) (Bankr. S.D.N.Y. 2020); *In re Pacific Drilling S.A.*, Case No. 20-35212 (DRJ) (Bankr. S.D. Tex. 2020) (investment banker to the debtors); *In re Craftworks Parent, LLC*, Case No. 20-10475 (BLS) (Bankr. D. Del. 2020) (investment banker to the debtors); *In re BL Restaurants Holding, LLC*, Case No. 2010156 (MFW) (Bankr. D. Del. 2020) (investment banker to the debtors); *In re Avenue Stores, LLC*, Case No. 19-11842 (LSS) (Bankr. D. Del. 2019) (investment banker to the Debtors); *In re GST AutoLeather, Inc.*, Case No. 17-12100 (LSS) (Bankr. D. Del. 2017) (investment banker to the official committee of unsecured creditors); *In re Cafe Holdings Corp.*, Case No. 18-05837 (hb) (Bankr. D.S.C. 2019) (investment banker to the debtors); *In re Pacific Sunwear of California,*

Inc., Case No. 16-10882 (LSS) (Bankr. D. Del. 2016) (financial advisor and investment banker to the Debtors); *In re Cal Dive International, Inc.*, Case No. 15-10458 (CSS) (Bankr. D. Del. 2015) (investment banker to the official committee of unsecured creditors); *In re Altegrity, Inc.*, Case No. 15-10226 (LSS) (Bankr. D. Del. 2015) (advised equity sponsor with respect to the debtors' bankruptcy restructuring); *In re KiOR, Inc.*, Case No. 14-12514 (CSS) (Bankr. D. Del. 2014) (financial advisor and investment banker to the debtors); *In re CDC Corporation*, Case No. 11-79079 (Bankr. N.D. Ga. 2011) (investment banker to the official committee of equity security holders); *In re Palm Harbor Homes Inc.*, Case No. 10-13850 (CSS) (Bankr. D. Del. 2010) (investment banker to the official committee of unsecured creditors); *In re NEC Holdings Corp.*, Case No. 10-11890 (PJW) (Bankr. D. Del. 2010) (investment banker to the official committee of unsecured creditors).

6. I have over 15 years of experience advising companies, sponsors, lenders, and government entities consummating transactions and providing strategic advice to companies and creditors in connection with in-court and out-of-court special situations, mergers, acquisitions, and dispositions. I also have extensive experience raising debt and equity capital in public and private markets.

7. Before joining Configure, I was a Principal in Greenhill & Co.'s Financing Advisory and Restructuring practice. Prior to joining Greenhill, I was a member of the restructuring teams at Rothschild & Co and Millstein & Co., LP. I graduated Phi Beta Kappa from Hampden-Sydney College with a degree in history and have an MBA from Columbia Business School.

8. Configure was retained by the Debtors on April 25, 2024, to serve as their investment banker to begin exploring strategic and financial alternatives to address the Company's

liquidity concerns. Since being retained, Configure has become familiar with the Debtors' businesses, finances, and capital structure, as well as their financial restructuring initiatives.

9. Since being retained, Configure has provided investment banking services to the Debtors, including assisting management in evaluating strategic alternatives, exploring the Debtors' financing options, conducting extensive meetings and negotiations with the various parties in interest regarding potential sale transaction and financing alternatives, assisting the Debtors in evaluating indications of interest and proposals regarding potential sale transactions and financing, facilitating extensive diligence for the various parties in interest, and assisting in preparation of the filing of the Debtors' chapter 11 cases.

DIP MOTION

10. I am familiar with the DIP Motion and the proposed debtor in possession financing for which the Debtors seek Court approval. Absent the relief requested in the DIP Motion, I believe the Debtors would suffer immediate and irreparable harm that would jeopardize their ability to continue their business operations and consummate a value-maximizing going concern sale transaction. I further believe that the relief sought in the DIP Motion is critical to the Debtors' efforts to orderly transition into chapter 11 efficiently and minimize disruptions to their business operations, thereby permitting the Debtors to preserve and maximize enterprise value while pursuing a section 363 sale in an expeditious manner due to the extensive and robust prepetition marketing process, as described further below. Finally, I believe the financing being sought to be approved in the DIP Motion reflects the best and only executable financing alternative available to the Debtors.

I. PREPETITION MARKETING AND FINANCING EFFORTS

11. Upon entering into its engagement, Configure began conducting due diligence with respect to the Debtors' assets, operations, and financing needs. Subsequent to this initial

assessment of alternatives and of a marketing process, the Company, together with its advisors, including Configure, determined the Company lacked the liquidity needed to conduct a value maximizing out of court sale process. Moreover, based on initial feedback from potential purchasers of the Company's assets, the potential prepetition liabilities, including the prepetition secured debt, the warranty claims and potential product liability claims, likely exceeded the enterprise value of the Company. In addition, the Company was party to a number of unprofitable contracts with significant customers (collectively, the "Customers"), which put further pressure on the already limited liquidity of the Company. It was evident that the Company needed a prompt liquidity infusion and financing to pursue a sale of its assets through bankruptcy.

12. After assessing the Company's liquidity and alternatives, the Company, in consultation with its professional advisors, determined that it was in the best interests of the Company to commence immediately a marketing process for a sale or other strategic restructuring transaction (a "Marketing Process").

13. Configure began the Marketing Process in May 2024 by preparing a "teaser" summary of the Company, its business operations, assets, and financial affairs and identifying and contacting a broad group of potential strategic and financial parties for a potential sale or other restructuring transaction. Seventy-three (73) prospective buyers were solicited and provided with teaser marketing materials concerning the Company. Configure held introductory calls with many of these parties; forty-five (45) executed non-disclosure agreements with the Company and were provided with a fulsome confidential information memorandum concerning the Company. Configure held numerous follow-up diligence calls for the benefit of these interested parties and

gave these parties access to a virtual data room, management presentations, and other more comprehensive diligence information.

14. By October 2024, nine (9) prospective buyers provided non-binding proposals or indications of interest. Configure worked with the Company and its other advisors to evaluate these proposals and indications of interest and held extensive and detailed follow-up management presentations with many of the potential bidders and the Company's senior management team.

15. During this same time frame, the Company's management and advisors approached the existing lender under the Prepetition Credit Agreement, BMO Harris Bank ("BMO"), to request incremental liquidity to allow time to develop the best plan to maximize the value of the Company's assets for all the Company's stakeholders. BMO provided essential cooperation with the Debtors for several months prior to the Petition Date, by forgoing payments for principal and interest and not exercising remedies otherwise available to it under the Prepetition Credit Agreement. Notwithstanding these concessions, and despite the Debtors' best efforts, BMO was unwilling to provide the incremental necessary bridge or debtor-in-possession financing which would be necessary to effectuate a sale in chapter 11. BMO, however, was amendable, subject to certain terms, to subordinating its debt to allow the Company to bring in priming, third-party financing, either in court or out of court. While the Company's management and its advisors, including Configure, explored various alternatives under which BMO might consent to such priming, BMO refused to consent to being primed other than in accordance with the terms of the DIP Facility the approval of which the Debtors seek through the DIP Motion.

16. Simultaneously with these negotiations with BMO, Configure worked with the Company's management and the Company's other advisors to identify a financing solution to the Company's urgent liquidity crisis, seeking to, among other things: (a) work with certain of the

Customers to increase liquidity primarily through accelerating payment for the Company's manufactured parts; (b) find a purchaser for the secured debt held by BMO; (c) find a third-party willing to provide debt junior to the secured debt held by BMO; (d) find a third-party, including the Customers, willing to provide a consensual or non-consensual priming facility; or (e) find a purchaser for substantially all assets of the Company. Configure encouraged interested parties to submit any bid those parties were comfortable with, be it to purchase BMO's debt, to purchase substantially all of the Company's assets, to provide additional financing whether in court or out of court, or to purchase a subset of assets.

17. Specifically, the Company with the assistance of its advisors undertook a two phase process with respect to potential DIP financing. Initially, Configure contacted thirteen (13) parties to solicit interest in providing post-petition financing on an unsecured basis or on the basis of a priming DIP. No parties expressed interest in providing post-petition financing in any form, including through a priming DIP facility.

18. Following the Company's receipt of clarification that BMO would not offer any DIP financing, but would consent to being primed on the terms essentially as set forth in the terms of the DIP Facility, which clarification occurred approximately one week prior to the Petition Date, Configure contacted twelve (12) additional potential lending sources (in addition to re-soliciting a subset of those parties Configure had originally contacted that Configure believed may have been interested in providing a consensual priming DIP based on those prior discussions). Those efforts resulted in the DIP Facility approval of which the Debtors seek through the DIP Motion.

19. Beginning on February 14, 2025, the Debtors and their professionals engaged in extended, arm's-length negotiations with CRG Financial, LLC ("CRG" or the proposed "DIP Lender") to provide the financing necessary to fund these bankruptcy cases through the projected

closing of a going concern sale of substantially all of the assets of the Debtors, with the support of the Customers and the Stalking Horse Bidder, and the consent of BMO to priming in accordance with the terms set forth in the DIP Motion, the other documents filed in connection therewith, and the DIP Facility.

20. The Debtors and their advisors then commenced extensive negotiations with respect to the debtor in possession financing with the DIP Lender, the Stalking Horse Bidder, and the Customers. In my view, these negotiations were conducted in good faith and at arms' length. Those arms'-length negotiations led to improvements in financing terms for the Debtors notwithstanding the fact that CRG was the ***only*** party willing to provide and commit debtor-in-possession financing in such an expeditious manner. As a result of these arms'-length negotiations, the parties agreed upon the DIP Facility for which the Debtors seek Court approval.

21. The DIP Facility contemplates an initial draw in the aggregate principal amount of up to $4,000,000 (the "Initial DIP Loans") of new money upon entry of the Interim Order, and a second draw upon entry of the Final Order in an aggregate principal amount that will not, when combined with the Initial DIP Loans advanced prior to the second draw, exceed $8,500,000, of which $750,000 could be funded solely pursuant to CRG's discretion.

22. Having reviewed and considered the principal economic terms of the DIP Facility, I believe the terms and conditions are appropriate under the circumstances, and that the Debtors require approval of the DIP Facility and the liquidity provided thereunder. I believe that not only will the DIP Facility signal to the Debtors' customers, employees, and vendors that it is "business as usual," but it also will allow the Debtors to sell their business as a going-concern.

23. These chapter 11 cases were precipitated by, among other things, the Company's severe liquidity concerns and the Debtors' inability to obtain additional liquidity from BMO.

Accordingly, in my view, the DIP facility will provide an immediate and necessary cash infusion to preserve going concern value, so that the Debtors may conduct a sale process and consummate a going concern sale transaction with its Stalking Horse Purchaser, which shall be subject to higher and better bids.

II. THE DEBTORS' NEED FOR LIQUIDITY

24. I am familiar with the DIP Facility and the terms thereof, in addition to the Debtors' immediate liquidity needs. Based on my experience in the restructuring industry generally and my experience with the Debtors in particular, I believe that the proposed DIP Facility, and the use of Cash Collateral and consensual priming set forth therein during the interim period, is appropriate and necessary in these chapter 11 cases. Otherwise, the Debtors might be forced to liquidate.

25. Based upon my understanding of the Debtors' liquidity needs, the current state of debt markets, and our recent inquiries to potential postpetition financing sources, I do not believe – and as the marketing process demonstrated – alternative sources of financing are readily available to the Debtors (whether unsecured or secured) on better, comparable, or such expeditiously executable terms than the DIP Facility. The proposed DIP Facility will provide the Debtors with immediate access to liquidity and is necessary to enable the Debtors to stabilize their business and maximize the value of their business pursuant to a 363 sale process.

26. Additionally, I do not believe it would be possible to administer the Debtors' chapter 11 estates on a "cash collateral" basis. As further described in the *Declaration of Eric N. Ellis in Support of Debtors' Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), the Debtors have been operating with extremely limited liquidity for several months now and have only avoided the need to file for chapter 7 because of the agreement reached with the DIP Lender in the days prior to the filing of these chapter 11 cases. As stated in the First Day Declaration, without access to the DIP Facility, the Debtors would have extremely limited cash on hand.

Moreover, the Debtors do not expect to be able to generate sufficient levels of operating cash flow in the ordinary course of business to cover their working capital needs. Therefore, the Debtors will face immediate and irreparable harm if the DIP Facility is not approved. Without the benefit of debtor in possession financing, the Debtors would very likely quickly have to commence a fire-sale liquidation of all of their assets, as opposed to the sale process currently contemplated in these chapter 11 cases. Accordingly, I believe that the Debtors' access to the proposed DIP Facility will enable the Debtors to stabilize their liquidity position, continue operating in the ordinary course, and complete a value maximizing sale transaction.

III. ADEQUACY OF THE DIP FINANCING

27. In connection with the search for postpetition financing, Configure assisted the Debtors, their management, and their other advisors, including Berkeley Research Group, LLC ("BRG"), in reviewing and analyzing projected cash forecasts for the Debtors' business during these chapter 11 cases. These forecasts take into account anticipated cash receipts and disbursements during the projected period and consider a number of factors, including, but not limited to, the effect of the chapter 11 filing on the operations of the business, fees and interest expenses associated with postpetition financing, professional fees, and customer and vendor obligations, as well as the operational performance of the business.

28. Prior to the Petition Date, the Debtors, in consultation with Configure and BRG, reviewed and analyzed their projected cash needs and prepared a cash budget outlining the Debtors' postpetition needs (as may be amended, modified, or supplemented from time to time, the "DIP Budget"), including detailed line items for categories of cash flows anticipated to be received or disbursed during the period covered by the DIP Budget, and determined the amount of postpetition financing required to administer these chapter 11 cases. The Debtors believe that the DIP Budget and projections provide an accurate reflection of the Debtors' likely funding

requirements over the identified period, respectively, and are fair, reasonable, and appropriate under the circumstances. As further described in the First Day Declaration, the proposed DIP Facility provides the Debtors sufficient liquidity to stabilize their operations and fund their going concern sale process. Finally, based on extensive discussions with the Debtors' other advisors, I believe that the proposed DIP Facility is on the most favorable terms available under the circumstances of these chapter 11 cases. Accordingly, in my professional opinion, the relief requested in the DIP Motion is necessary and appropriate to avoid immediate and irreparable harm to the Debtors' estates.

IV. THE RATES, FEES AND OTHER TERMS OF THE DIP FACILITY ARE FAIR AND REASONABLE

29. Based on my review of the terms of the DIP Facility and the attendant DIP Term Sheet, I understand that the Debtors have agreed, subject to Court approval, to pay certain interest and fees to the DIP Agent and the DIP Lenders. Specifically, with respect to interest rates, I understand that the Debtors have agreed to an interest rate of: (i) twelve percent (12%) (the "Applicable Rate"). Upon the occurrence and during the continuation of a DIP Event of Default, I understand that interest will accrue at the Applicable Rate plus three percent (3%) per annum, payable in cash upon demand. In addition, I understand that the Debtors have agreed to pay the DIP Fees to the DIP Lenders. Specifically, the Debtors have agreed, subject to Court approval, to pay Commitment Fees totaling 6%, Funding Fees of 4%, and Exit Fees of 10%.

30. Based on my experience and knowledge of similar debtor in possession financings in the market and my analysis of interest rates and fees in comparable debtor in possession financing facilities, I believe that the Applicable Rate and the DIP Fees provided for in the DIP Facility are fair and reasonable under the circumstances, especially considering the condensed time frame in which the Debtors had to secure ***committed*** third-party debtor-in-possession financing,

the limited collateral package securing the financing, and the adequate protection requirements demanded by the prepetition lender. Among other things, CRG was willing to lend on a very short time frame with limited due diligence and with a limited asset base, which is primarily the value of the bid from the Stalking Horse Bidder. Moreover, CRG was willing to provide the requested adequate protection to BMO. Under these unique circumstances, the Debtors and their advisors (including Configure) considered the Applicable Rate and the DIP Fees and determined the DIP Facility constituted the best alternative reasonably available to the Debtors.

31. Based on my discussions with the Debtors and their advisors, I also understand that the Debtors and the DIP Lenders agree that the Applicable Rate and DIP Fees were subject to negotiation and are an integral component of the overall terms of the DIP Facility, which, in turn, is integral to the success of the Debtors' broader efforts to effectuate a value maximizing sale. I believe that the Applicable Rate and the DIP Fees pursuant to the DIP Documents are fair and reasonable because such economics constitute the best terms on which the Debtors could obtain the financing necessary to maintain their ongoing business operations and fund their chapter 11 cases and are an integral component of the overall terms of the DIP Facility.

32. Further, I understand that the DIP Facility, like most chapter 11 financing agreements, requires the Debtors to comply with certain Milestones in connection with the postpetition sale process. I understand these Milestones were heavily negotiated and required by the DIP Lenders as conditions to providing the DIP Facility.

33. In sum, based on my discussions with the Debtors' management team and their advisors, my involvement in the marketing process, and my review of the terms of the DIP Facility, I believe that the DIP Facility provides the Debtors with the best, and perhaps only, path forward in these chapter 11 cases as the Debtors work to continue the sale process and ultimately

consummate a sale to the benefit of the estates and all stakeholders. The DIP Facility allows the Debtors to obtain necessary liquidity on terms that are appropriate under these circumstances, without the risk of a priming fight, and fund the sale process with the benefit of a Stalking Horse Bid.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 26, 2025

/s/ Matthew Guill
Matthew Guill
Director
Configure Partners, LLC