

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)

**DECLARATION OF RORY KEENAN IN SUPPORT OF DEBTORS’
MOTION PURSUANT TO SECTIONS 105, 363, AND 365 OF
THE BANKRUPTCY CODE FOR ENTRY OF ORDERS (A)(I) APPROVING
BIDDING PROCEDURES FOR THE SALE OF DEBTORS’ ASSETS,
(II) SCHEDULING HEARINGS AND OBJECTION DEADLINES WITH
RESPECT TO THE SALE, (III) SCHEDULING BID DEADLINES AND AN
AUCTION, (IV) APPROVING THE FORM AND MANNER OF NOTICE
THEREOF, (V) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES
FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (VI) AUTHORIZING
AND APPROVING THE DEBTORS’ ENTRY INTO THE STALKING HORSE
APA, (VII) AUTHORIZING AND APPROVING BID PROTECTIONS, AND
(VIII) GRANTING RELATED RELIEF AND (B)(I) APPROVING THE SALE
OF SUBSTANTIALLY ALL OF THE DEBTORS’ ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, (II) APPROVING
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES AND (III) GRANTING RELATED RELIEF**

I, Rory Keenan, hereby declare under penalty of perjury:

1. I am a Managing 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.

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. I submit this declaration in support of the *Debtors' Motion for Entry of an Order (A)(I) Approving Bidding Procedures for the Sale of the Debtors' Assets, (II) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (III) Scheduling Bid Deadlines and an Auction, (IV) Approving the Form and Manner of the Notice Thereof, (V) Approving Assumption and Assignment Procedures for Executory Contracts and Unexpired Leases, (VI) Authorizing and Approving the Debtors' Entry Into the Stalking Horse APA, (VII) Authorizing and Approving Bid Protections, and (VII) Granting Related Relief and (B)(I) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (II) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (III) Granting Related Relief*, filed contemporaneously herewith (the "Bidding Procedures Motion").² 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.

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 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.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Bidding Procedures Motion.

Qualifications

4. I am a Managing Director at Configure, an investment bank that provides strategic and other advisory services in corporate restructuring transactions. Configure's professionals have extensive experience providing such services to financially distressed companies and to creditors, equity holders, and other constituencies in reorganization proceedings and complex financial restructurings, both in- and out-of-court.

5. I am a seasoned corporate restructuring professional with over twenty years of experience advising and executing restructuring, financing, and merger and acquisition transactions across a wide range of industries. I have extensive experience negotiating and managing chapter 11 restructuring deals and conducting marketing and sale processes for companies in chapter 11. Prior to joining Configure, I held senior positions at Jefferies & Company, Raymond James & Associates, Inc., UBS Investment Bank, Peter J. Solomon Company, and Prudential Securities. I graduated from the College of the Holy Cross with a Bachelor of Arts in English and am a FINRA General Securities Registered Representative (Series 7, 63).

6. Since joining Configure, I have provided investment banking services to public and private companies with respect to a range of matters that have included balance sheet restructurings, capital raises, distressed sales, and other transactions. 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 LVI Intermediate Holdings, Inc.*, Case No. 20-11413 (KBO) (Bankr. D. Del. 2020); *In re Bluestem Brands, Inc.*, Case No. 20-10566 (MFW) (Bankr. D. Del. 2020); *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).

7. 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.

Prepetition Marketing and Sale Process

8. Upon its retention, Configure immediately began conducting due diligence with respect to the Debtors' assets and operations. 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 a marketing process for a sale or other strategic restructuring transaction (a "Marketing Process").

9. Configure began the Marketing Process 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.

10. 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.

The Stalking Horse APA

11. Configure, the Company and its other advisors worked with initial bidders to evaluate, solidify, and improve the initial proposals received. Ultimately, after such evaluation and analysis, the bid by Avem Partners ("Avem"), a private equity firm based in Southern

California that specializes in investments in aerospace and industrial companies across North America, was determined as the highest or otherwise best initial offer and the Company and its advisors engaged with Avem concerning the terms of a purchase agreement.

12. On or about February 24, 2025, the Debtors and FMI Holdco LLC, an entity formed by Avem (the “Stalking Horse Purchaser”), entered into an Asset Purchase Agreement (the “Stalking Horse APA”). The Stalking Horse APA provides, among other things, for the purchase of substantially all of the Debtors’ Assets, along with assumption of certain assumed liabilities, all on the terms and conditions set forth in the Stalking Horse APA, for a purchase price of \$16 million (subject to a working capital adjustment and less certain potential cure costs in connection with assumed and assigned executory contracts and unexpired leases). The Stalking Horse APA is also subject to certain bid protections in favor of the Stalking Horse Purchaser, subject to Court approval, consisting of a break-up fee of \$400,000 and an expense reimbursement not to exceed \$250,000.

The Bidding Procedures

13. Configure has been and is prepared to continue administering a postpetition Marketing Process consistent with the proposed Bidding Procedures. I believe, based on my industry experience and familiarity with the prepetition Marketing Process, the Debtors’ assets and business, and the financing available to the Debtors, that the proposed Bidding Procedures are reasonable and will provide sufficient time and flexibility to conduct a robust marketing and sale process that will allow the Debtors to confirm whether the bid represented by the Stalking Horse APA is the highest or otherwise best offer for the Debtors’ assets.

Postpetition Marketing Process Timeline

14. I believe that the various dates and deadlines set forth in the proposed Bidding Procedures Motion will afford potential bidders a sufficient opportunity to bid for the Debtors’

assets. Configure has been marketing the Company's assets since May 2024. In addition, Configure is continuing postpetition the process of contacting potential buyers that were identified prepetition as potentially interested in the Debtors' assets, and many of these parties already have some familiarity with the Debtors' business and industry, both on the basis of their strategic participation and/or investment in the industry and multiple direct interactions with the Debtors' management team. At the time of the Bid Deadline, Configure and the Debtors will have been marketing the Debtors' assets for approximately eleven months. In light of the prepetition Marketing Process and the financing available to the Debtors, I believe that the length of the proposed postpetition marketing period is appropriately tailored to the particular circumstances of these Debtors and these chapter 11 cases and that the proposed timeline should give the Debtors adequate time to realize maximum value.

15. My belief in the adequacy of the proposed sale timeline is informed, among other things, by the fact that many likely bidders are (and were, as of the Petition Date) already aware that the Company's assets are up for sale, and most likely have already been contacted or indicated their interest in the Debtors' businesses or assets during the Marketing Process. In connection with the formal Marketing Process described above, the Debtors and Configure undertook efforts to identify and reach out to potential buyers interested in a sale transaction with the Company. These efforts will continue following the Petition Date as well. Accordingly, I believe that the Debtors and Configure, together, have interacted with third parties that are likely to have serious interest in acquiring the Company.

16. Configure's outreach efforts were and continue to be informed by substantial diligence concerning potential buyers and other potential transaction counterparties, as well Configure's knowledge of the Debtors' industry. Accordingly, I believe that Configure's efforts

have identified and reached potential buyers reasonably likely to be interested in a strategic transaction with the Debtors at this time, and I believe that maintaining the Sale timeline as currently proposed by the Bidding Procedures Motion is necessary and appropriate to the success of the Sale process.

Bid Protections and Other Provisions of the Bidding Procedures

17. Finally, I am familiar with the other terms and conditions of the proposed Bidding Procedures and Stalking Horse APA, including, without limitation, the Bid Protections. I believe that these additional procedures and requirements are designed with the intent to maximize value in the sale process and are necessary to foster a competitive bidding environment. In my experience, bidding incentives, such as break-up fees and expense reimbursements, are intended to encourage potential purchasers to invest the requisite time, money, and effort into diligence and entry into a binding agreement and are customary and typically required by stalking horse bidders.

18. I believe that by setting a floor for bidding, the Stalking Horse APA will benefit the Debtors' estates and promote maximum value with respect to the Debtors' assets. Further, I believe that the Bid Protections were negotiated in good faith and at arm's length between the Debtors and the Stalking Horse Purchaser and that the Stalking Horse Purchaser would not have been willing to serve as a stalking horse for the Debtors' assets without the benefit of the Bid Protections. Accordingly, I believe that the Bid Protections are reasonable and customary given the size and complexity of the Company and the proposed Sale and will help to preserve value for the Debtors' estates in connection with the marketing and sale process by ensuring there is a baseline bid for the Debtors' auction and sale process.

Conclusion

19. I believe that, given the circumstances, the Sale process and timeline proposed by the Debtors, as set forth in the Bidding Procedures Motion and Bidding Procedures, are designed

with the intent to maximize the value of the Debtors' assets for the benefit of the Debtors' estates, creditors, and other parties in interest. Further, I believe the Bid Protections are reasonable under the circumstances of these chapter 11 cases and benefit the Debtors' estates by setting a floor for the value received by the Debtors in connection with the Sale process.

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
New York, New York

/s/ Rory Keenan
Rory Keenan
Managing Director
Configure Partners, LLC