

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
)	Chapter 11
)	
TECT AEROSPACE GROUP)	Case No. 21-10670 (KBO)
HOLDINGS, INC., <i>et al.</i> , ¹)	
)	(Jointly Administered)
Debtors.)	
)	Related Docket Nos.: 174
)	

**CERTIFICATION OF COUNSEL REGARDING STIPULATION BY
AND BETWEEN THE DEBTORS, THE BOEING COMPANY, AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS CONCERNING
CERTAIN LIEN CHALLENGES AND FURTHER EXTENDING THE
CHALLENGE PERIOD AS TO REMAINING LIEN CHALLENGES**

The undersigned counsel to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of the above-captioned debtors (collectively, the “Debtors”), hereby certifies as follows regarding the *Stipulation By and Between the Debtors, The Boeing Company, and the Official Committee of Unsecured Creditors Concerning Certain Lien Challenges and Further Extending the Challenge Period as to Remaining Lien Challenges* (the “Stipulation”), a true and correct copy of which is attached as Exhibit 1 to the proposed form of order (the “Proposed Order”) attached hereto as Exhibit A:

1. On April 5, 2021, each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: TECT Aerospace Group Holdings, Inc. (9338); TECT Aerospace Kansas Holdings, LLC (4241); TECT Aerospace Holdings, LLC (9112); TECT Aerospace Wellington Inc. (4768); TECT Aerospace, LLC (8650); TECT Hypervelocity, Inc. (8103); and Sun Country Holdings, LLC (6079). The Debtors’ mailing address is 300 W. Douglas, Suite 100, Wichita, KS 67202.



2. On April 20, 2021, the Office of the United States Trustee appointed the Committee in these cases.²

3. On May 13, 2021, the Bankruptcy Court entered the *Final Order Pursuant to Sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code, Bankruptcy Rule 4001 and Local Rule 4001-2, (I) Authorizing Debtors to (A) Obtain Postpetition Financing And (B) Use Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, And (III) Granting Related Relief* (the “DIP Order”).³

4. On August 20, 2021, the Debtors, the Committee, and The Boeing Company (collectively with the Debtors and the Committee, the “Parties”) entered into the Stipulation. Pursuant to and as more fully set forth in the Stipulation, the Parties have (i) resolved potential lien challenges with respect to certain unencumbered assets, and (ii) agreed to further extend the Challenge Period as to certain remaining lien challenges solely for the Committee.

² Docket No. 76.

³ Docket No. 174. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the DIP Order.

WHEREFORE, the Committee respectfully requests that the Court enter the Proposed Order approving the Stipulation at the Court's earliest convenience.

Dated: August 20, 2021

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EXHIBIT A

Proposed Order

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

In re:

TECT AEROSPACE GROUP
HOLDINGS, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 21-10670 (KBO)
)
) (Jointly Administered)
)
) **Related Docket Nos.: 174, ____**
)

**ORDER APPROVING STIPULATION BY AND
BETWEEN THE DEBTORS, THE BOEING COMPANY, AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS CONCERNING
CERTAIN LIEN CHALLENGES AND FURTHER EXTENDING THE
CHALLENGE PERIOD AS TO REMAINING LIEN CHALLENGES**

This Court having considered the *Stipulation By and Between the Debtors, The Boeing Company, and the Official Committee of Unsecured Creditors Concerning Certain Lien Challenges and Further Extending the Challenge Period as to Remaining Lien Challenges* (the “Stipulation”), attached hereto as Exhibit 1; the Court having determined that good and adequate cause exists for approval of the Stipulation; and the Court having determined that no further notice of the Stipulation must be given; it is hereby

ORDERED, that the Stipulation is APPROVED; and it is further

ORDERED, that the Parties (as defined in the Stipulation) are authorized to take such actions as they may deem necessary or appropriate to effectuate and consummate the Stipulation; and it is further

ORDERED, that this Order shall be effective immediately upon its entry; and it is further

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: TECT Aerospace Group Holdings, Inc. (9338); TECT Aerospace Kansas Holdings, LLC (4241); TECT Aerospace Holdings, LLC (9112); TECT Aerospace Wellington Inc. (4768); TECT Aerospace, LLC (8650); TECT Hypervelocity, Inc. (8103); and Sun Country Holdings, LLC (6079). The Debtors’ mailing address is 300 W. Douglas, Suite 100, Wichita, KS 67202.

ORDERED, that the Bankruptcy Court shall retain jurisdiction over any matter or dispute arising from or related to the implementation of this Order.

EXHIBIT 1

Stipulation

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

In re:)	Chapter 11
)	
TECT AEROSPACE GROUP)	Case No. 21-10670 (KBO)
HOLDINGS, INC., <i>et al.</i> ,)	
)	Jointly Administered
)	
Debtors. ¹)	Re: Docket Nos. 174
)	

**STIPULATION BY AND BETWEEN THE DEBTORS, THE BOEING COMPANY,
AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
CONCERNING CERTAIN LIEN CHALLENGES AND FURTHER EXTENDING
THE CHALLENGE PERIOD AS TO REMAINING LIEN CHALLENGES**

This stipulation (the “Stipulation”) is entered into by and between: (i) TECT Aerospace Group Holdings, Inc., *et al.*, the above-captioned debtors and debtors-in-possession (the “Debtors”); (ii) The Boeing Company, in its capacities as Prepetition Lender and administrative agent on behalf of the Prepetition Lenders (the “Prepetition Agent”) under that certain Revolving Credit, Term Loan and Security Agreement, dated as of June 27, 2017 (as the same has been amended, restated, supplemented, modified or assigned from time to time, the “Prepetition Credit Agreement”) and in its capacities as DIP Lender and administrative agent on behalf of the DIP Lenders (the “DIP Agent” and together with the Prepetition Agent, the “Agent”) under the DIP Agreement; and (iii) the Official Committee of Unsecured Creditors of the Debtors (the “Committee” and together with the Debtors and the Agent, the “Parties”).

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: TECT Aerospace Group Holdings, Inc. (9338); TECT Aerospace Kansas Holdings, LLC (4241); TECT Aerospace Holdings, LLC (9112); TECT Aerospace Wellington Inc. (4768); TECT Aerospace, LLC (8650); TECT Hypervelocity, Inc. (8103); and Sun Country Holdings, LLC (6079). The Debtors’ mailing address is 300 W. Douglas, Suite 100, Wichita, Kansas 67202.

WHEREAS, on April 5, 2021 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware;

WHEREAS, on May 13, 2021, the Bankruptcy Court entered the *Final Order Pursuant to Sections 105, 361, 362, 363, 364 and 507 of the Bankruptcy Code, Bankruptcy Rule 4001 and Local Rule 4001-2, (I) Authorizing Debtors to (A) Obtain Postpetition Financing And (B) Use Cash Collateral, (II) Granting Adequate Protection to the Prepetition Secured Parties, And (III) Granting Related Relief* [Docket No. 174] (the “DIP Order”);²

WHEREAS, pursuant to the DIP Order, among other things, the Debtors admitted, stipulated, acknowledged, and agreed, among other things, to the validity, perfection, priority and enforceability of the security interests granted to the Prepetition Agent and the Prepetition Lenders under the Prepetition Loan Documents, subject to the Committee’s rights under paragraph 19 of the DIP Order, and the DIP Order provides, among other things, that the releases set forth in paragraphs 18(a), (b) and (c) of the DIP Order and the stipulations set forth in paragraph D of the DIP Order, would become binding on each party in interest other than the Debtors, including the Creditors’ Committee, unless a party in interest having standing, *first*, commences, with respect to challenges respecting the releases set forth in paragraph 18(c) of the DIP Order, no later than July 19, 2021, and with respect to all other matters described in paragraph 19 of the DIP Order as subject to a Challenge (including but not limited to the releases set forth in Paragraphs 18(a) and 18(b) of the DIP Order, and perfection or priority of the Prepetition Obligations), no later than June 21, 2021, (A) a contested matter, adversary proceeding, or other action or claim (as defined in the Bankruptcy Code)

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

challenging or otherwise objecting to the releases set forth in paragraph 18 of the DIP Order or the stipulations set forth in paragraph D of the DIP Order or (B) a contested matter, adversary proceeding, or other action or claim (as defined in the Bankruptcy Code) against any Releasee relating to any pre-Petition Date act, omission or aspect of the relationship between such Releasee and the Debtors ((A) and (B) being, collectively, the “Challenges” and, each individually, a “Challenge”), and, *second*, obtains a final, non-appealable order in favor of such party in interest sustaining any such Challenge in any such timely-filed contested matter, adversary proceeding or other action; provided, that, any trustee that is appointed in these Chapter 11 Cases or any Successor Case prior to the expiration of the Challenge Period shall have until the later of the expiration of the Challenge Period or 10 days after such trustee’s appointment to commence a Challenge or move to be substituted for the Committee in a pending Challenge;

WHEREAS, paragraph 19 of the DIP Order provides that the Challenge Period may be extended upon stipulation of the Parties or upon order of the Court for cause shown; and

WHEREAS, by Order entered on June 21, 2021, the Court approved the *Stipulation By and Between the Debtors, The Boeing Company, and the Official Committee of Unsecured Creditors Extending the Challenge Period* [D.I. 295], whereby the parties agreed to extend the Challenge Period as set forth therein, through July 19, 2021;

WHEREAS, by Order entered on July 19, 2021, the Court approved the *Second Stipulation By and Between the Debtors, The Boeing Company, and the Official Committee of Unsecured Creditors Extending the Challenge Period* [D.I. 382], whereby the parties agreed to extend the Challenge Period as set forth therein, through August 18, 2021;

WHEREAS, the Committee has undertaken an investigation of the liens and security interests of the Agent and any potential claims to be asserted on behalf of the Debtors' estates against the Agent and has conferred with Boeing concerning its investigations;

WHEREAS, the Committee and Boeing stipulate and agree that the Debtors' Acknowledgments and Stipulations set forth in paragraphs D(ii), D(iii), D(iv) and D(v) and Releases set forth in paragraph 18(b) of the DIP Order do not apply to the following assets (the "Prepetition Unencumbered Assets"): (1) all rights, claims and interests of TECT Aerospace Group Holdings, Inc. ("TECT Parent") in and to tax refunds, net operating losses and tax attributes, (2) TECT Parent's equity interests in its domestic subsidiaries TECT Aerospace Kansas Holdings, LLC and TECT Aerospace Holdings, LLC ("Aerospace Holdings"), (3) thirty-five percent (35%) of Aerospace Holdings's equity interests in foreign subsidiaries TECT Support Services UK Limited and TECT Aerospace Components SRL de CV, (4) motor vehicles and other assets subject to certificates of title, and (5) the Debtors' leasehold interests in real property;

WHEREAS, the Committee wishes to continue its investigation with respect to five items of leased equipment (specifically, MAG3.Ex 5-Axis Horizontal Machining Center, S/N 336, MAG3.Ex 5-Axis Horizontal Machining Center, S/N 337, 12 pallet expansion system for MAG3.Ex, Makino T1 Horizontal Machining Center, S/N 53 and Makino T1 Horizontal Machining Center, S/N 56, which items have been identified as being associated with purchase orders 279108, 316645 and 316646) (the "Reserved Assets");

WHEREAS, to avoid the cost of litigation to the Debtors' estates, the Committee and the Agent wish to engage in good faith discussions regarding a consensual resolution of the Committee's Challenges; and

NOW THEREFORE, IT IS STIPULATED AND AGREED, by and between the Debtors, the Agent and the Committee, as follows:

1. Each of the recitals above is incorporated herein by reference.
2. Upon execution of this Stipulation, the Challenge Period for the Committee with respect to Challenges respecting perfection or priority of the Reserved Assets, and with respect to the stipulations and releases set forth in paragraphs D(ii), D(iii), D(iv), D(v) and 18(b) of the DIP Order relating to the Reserved Assets, shall be extended to September 16, 2021 (“Extended Challenge Period”). Nothing herein shall affect the Challenge Period with respect to any person or entity other than the Committee.
3. To the extent set forth in the previous paragraph respecting the rights of the Committee and the Reserved Assets, the Extended Challenge Period shall supersede and replace the Challenge Period under the DIP Order, subject to the right of the Debtors, the Committee, and the Agent to further extend the Extended Challenge Period or seek a further extension for good cause shown.
4. The Debtors’ Stipulations in paragraphs D(iii) and D(iv) and Releases in paragraph 18(b) of the DIP Order do not apply to the Prepetition Unencumbered Assets. The Prepetition Collateral (as defined in the DIP Order) does not include the Prepetition Unencumbered Assets or proceeds thereof. The Prepetition Lenders and Prepetition Agent do not hold any valid or perfected security interests or liens in or on the Prepetition Unencumbered Assets or proceeds thereof. The Prepetition Unencumbered Assets and proceeds thereof are not encumbered by or subject to the Prepetition Liens (as defined in the DIP Order) in favor of the Agent or the Lenders. Nothing herein shall affect the rights of the DIP Lenders and DIP Agent with respect to the Prepetition Unencumbered Assets, or any other assets; nothing herein shall affect the rights of the

Prepetition Lenders or Prepetition Agent with respect to any assets other than the Prepetition Unencumbered Assets (and with respect to the pending challenge regarding the Reserved Assets); nothing herein shall affect the rights, if any, of the Prepetition Lenders or Prepetition Agent, with respect to superpriority claims under the DIP Order, Section 507(b) of the Bankruptcy Code, or otherwise; and nothing herein shall affect the other terms of the DIP Order, including the requirement that the DIP Agent and the Prepetition Agent, as applicable, shall satisfy any liens or claims on account of the DIP Obligations and the Prepetition Obligations, and all claims for Diminution, first from assets that were encumbered as of the Petition Date.

5. Approval of this Stipulation shall be sought through the filing of a certification of counsel.

6. This Stipulation constitutes the entire agreement between the Parties with respect to the subject matter covered by the Stipulation. No provisions of the DIP Order are intended to be modified in any manner other than as specifically set forth herein and, other than the changes effectuated pursuant to this Stipulation, the DIP Order shall remain in full force and effect.

7. There are no other covenants, promises, agreements, conditions or understandings, oral or written, expressed or implied, between the Parties, except for this Stipulation. This Stipulation may be amended or otherwise modified only by a signed writing executed by the Parties.

8. Each Party to this Stipulation has read and understands the terms of the Stipulation and has jointly negotiated and prepared this Stipulation.

9. This Stipulation may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart

of this Stipulation by facsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Stipulation.

10. The Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

Executed on August 20, 2021.

STIPULATED AND AGREED TO:

RICHARDS, LAYTON & FINGER, P.A.

/s/ Paul N. Heath

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