UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
TECT AEROSPACE GROUP HOLDINGS, INC., *et al.*,	:	**Case No. 21-10670 (KBO)**
	:	**Jointly Administered**
Debtors.[1]	:	**Re: D.I. 737 & 790**

DECLARATION OF SHAUN MARTIN IN SUPPORT OF CONFIRMATION OF THE JOINT CHAPTER 11 PLAN OF LIQUIDATION FOR TECT AEROSPACE GROUP HOLDINGS, INC. AND ITS AFFILIATED DEBTORS

I, Shaun Martin, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am a Senior Managing Director at Riveron RTS, LLC[2] ("**RTS**") and the Chief Restructuring Officer of TECT Aerospace Group Holdings, Inc. and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, "the "**Debtors**").[3] I am authorized to make this declaration (the "**Declaration**") on behalf of the Debtors.

[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 TECT Aerospace Group Holdings, Inc., c/o Riveron RTS, LLC, Attn: Shaun Martin, 265 Franklin Street, Suite 1004, Boston, MA 02110.

[2] On June 30, 2021, Winter Harbor LLC merged into Conway MacKenzie, LLC. On September 1, 2021, Conway MacKenzie, LLC changed its name to Riveron RTS, LLC.

[3] On May 5, 2021, the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") entered the *Order Granting Debtors' Motion for an Order Authorizing the (I) Employment and Retention of Winter Harbor LLC and (II) Designation of Shaun Martin as Chief Restructuring Officer for the Debtors and Debtors in Possession as of the Petition Date* [Docket No. 141], authorizing, among other things, the Debtors' retention of RTS and my designation as Chief Restructuring Officer.

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2. I submit this Declaration in support of confirmation of the Debtors' *Joint Chapter 11 Plan of Liquidation for TECT Aerospace Group Holdings, Inc. and Its Affiliated Debtors*, dated January 25, 2022 [D.I. 737], as modified by the *Joint Chapter 11 Plan of Liquidation for TECT Aerospace Group Holdings, Inc. and Its Affiliated Debtors*, dated March 4, 2022 [D.I. 790] (collectively with the exhibits thereto, the "**Plan**").[4] Except as otherwise indicated, all facts set forth in this Declaration are based upon my opinion, my experience, or my personal knowledge gathered from my review of the Debtors' books and records, relevant documents, information supplied to me by members of the Debtors' management team or other advisors, including RTS professionals working under my supervision. If called to testify, I could and would testify competently to the facts set forth in this Declaration.

BACKGROUND

A. General Background

3. On April 5, 2021 (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court. The Debtors continue to operate their businesses as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. On April 20, 2021, the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**") appointed the official committee of unsecured creditors (the "**Committee**"). *See* D.I. 76. No request has been made for the appointment of a trustee or examiner in these chapter 11 cases.

5. On May 7, 2021, the Debtors filed a motion seeking authorization to, among other things, sell substantially all of their assets related to their Everett, Washington manufacturing

[4] All capitalized terms used but not otherwise defined herein have the meanings given to them in the Plan or Disclosure Statement Order (as defied herein), as applicable.

business. *See* D.I. 152. On June 24, 2021, the Bankruptcy Court entered an order approving, among other things, the sale of the Everett, Washington assets to Wipro Givon USA, Inc. *See* D.I. 313. That sale closed on July 12, 2021. *See* D.I. 387.

6. On May 21, 2021, the Debtors filed a motion seeking authorization to, among other things, sell substantially all of their assets related to their Kansas manufacturing business. *See* D.I. 192. On July 13, 2021, the Bankruptcy Court entered an order approving, among other things, the sale of the Kansas assets to The Boeing Company and Central Kansas Aerospace Manufacturing, LLC. *See* D.I. 372. That sale closed on August 13, 2021. *See* D.I. 418.

B. The Plan and Solicitation Process

7. On January 21, 2022, the Debtors filed the Plan [D.I. 725] and the related *Disclosure Statement for Joint Chapter 11 Plan of Liquidation for TECT Aerospace Group Holdings, Inc. and Its Affiliated Debtors* [D.I. 726] (as amended, modified, or supplemented, the "**Disclosure Statement**").

8. On January 25, 2022, the Bankruptcy Court entered an order [D.I. 735] (the "**Disclosure Statement Order**") that, among other things, approved the Disclosure Statement and authorized the Debtors to solicit the Plan. Following entry of the Disclosure Statement Order, the Debtors filed the solicitation versions of the Plan [D.I. 737] and Disclosure Statement [D.I. 738], and commenced solicitation of the Plan through the Debtors' administrative advisor, Kurtzman Carson Consultants LLC.

9. Only members of the Voting Classes were entitled to vote on the Plan. As such, only members of Class 3 (Prepetition Credit Agreement Claims and DIP Claims), Class 4 (General Unsecured Claims) and Class 5 (Non-Released Party General Unsecured Claims) were entitled to vote to accept or reject the Plan. Holders of Claims in Class 1 (Priority Claims) and Class 2 (Other

Secured Claims) were Unimpaired under the Plan and, consequently, are deemed to have accepted the Plan pursuant to the Bankruptcy Code. Holders of Claims in Class 6 (Intercompany Claims) are Impaired under the Plan, but as proponents of the Plan such Holders are conclusively presumed to accept the Plan. Holders of Interests in Class 7 (Debtor Interests) are Impaired and will receive no distributions under the Plan, and are conclusively deemed to have rejected the Plan pursuant to the Bankruptcy Code.

10. Contemporaneously herewith, the Debtors filed the *Declaration of Sydney Reitzel with Respect to the Tabulation of Votes on the Joint Chapter 11 Plan of Liquidation for TECT Aerospace Group Holdings, Inc. and Its Affiliated Debtors* [D.I. 793] (the "**Voting Declaration**") setting forth, among other things, the voting results and demonstrating (i) acceptance of the Plan by Class 3 (Prepetition Credit Agreement Claims and DIP Claims) and Class 4 (General Unsecured Claims) and (ii) rejection of the Plan by Class 5 (Non-Released Party General Unsecured Claims).

11. On March 4, 2022, the Debtors filed (i) the confirmation version of the Plan [D.I. 790] reflecting certain changes made to resolve comments from interested parties and certain technical amendments and (ii) an amended Plan Supplement [D.I. 792] including revised forms of the Liquidation Trust Agreement and the GUC Distribution Trust Agreement, each reflecting certain changes made to address comments from interested parties and certain technical amendments.

COMPLIANCE WITH THE BANKRUPTCY CODE

12. Based on my understanding of the Plan, the events that have occurred throughout these chapter 11 cases, and discussions I have had with Debtors' counsel regarding the requirements of the Bankruptcy Code, I believe that the Plan satisfies all of the applicable provisions of sections 1123 and 1129 of the Bankruptcy Code and complies with all other

applicable sections of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable non-bankruptcy law and should therefore be confirmed.

13. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). I understand that section 1129(a)(1) of the Bankruptcy Code requires the Plan to comply with the applicable provisions of the Bankruptcy Code. As detailed below, I believe that the Plan satisfies this requirement.

14. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). Article II.B of the Plan designates seven Classes of Claims and Interests. I am familiar with the classification of Claims and Interests in the Plan and believe that such classification system is based in substantial part upon the legal nature and relative rights of such Claims and Interests, and is not proposed for any improper purpose. Each Class contains only Claims or Interests that are substantially similar to other Claims and Interests therein, and no Holders of Claims or Interests have objected to the Debtors' classification of Claims and Interests. Additionally, Article II.A of the Plan designates (but does not classify) certain Claims under sections 507(a)(2) and 507(a)(8) of the Bankruptcy Code, including Administrative Claims, Professional Fee Claims and Priority Tax Claims.

15. Specified Treatment of Impaired and Unimpaired Claims (11 U.S.C. §§ 1123(a)(2), (3)). Article II of the Plan specifies whether each Class of Claims and Interests is Impaired or Unimpaired under the Plan and Article III of the Plan specifies the treatment of each Class.

16. No Discrimination (11 U.S.C. § 1123(a)(4)). Pursuant to the Plan, the treatment of each Claim or Interest in each particular Class is afforded the same treatment as each other Claim or Interest in such Class, unless the Holder of a particular Claim or Interest has agreed to a less favorable treatment of such particular Claim or Interest.

17. Implementation of the Plan (11 U.S.C. § 1123(a)(5)). Article IV and various other provisions of the Plan provide an adequate and proper means for the implementation of the Plan. Specifically, Article IV of the Plan provides, among other things, (i) for the limited consolidation of the Debtors' Estates for administrative purposes related to the Plan, (ii) for the formation of the Trusts, the transfer of the Debtors' assets to the Trusts, and the liquidation and distribution of such assets, and (iii) that the Liquidation Trustee will be empowered to adopt, execute, deliver or file all plans, agreements, certificates and other documents and instruments necessary or appropriate to implement the Plan.

18. With respect to the limited substantive consolidation that is proposed in Article IV of the Plan, it is my understanding that the case law supports the limited substantive consolidation proposed therein for at least three reasons. First, the Debtors' assets and liabilities are so intertwined that separating them would be prohibitive and any attempt to do so would hurt all creditors. *See In re Owens Corning*, 419 F.3d 195, 211 (3d Cir. 2005). Second, I believe the overall effect of the limited substantive consolidation will be beneficial to creditors and will allow for greater efficiencies and simplification in administering the Plan. Third, I understand that the Holders of Claims in two out of the three Voting Classes overwhelmingly voted to accept the Plan and that no parties in interest or Holder of Claims or Interests objected to the Plan, including the limited substantive consolidation proposed therein. Accordingly, it is my understanding, based on discussions with counsel, that such limited substantive consolidation is permissible and should be approved. *See Kaiser Aluminum*, 2006 WL 616243, at *22 (Bankr. D. Del. Feb. 6, 2006) ("In the absence of any creditor objection to the deemed substantive consolidation, and in light of the overwhelming creditor support for the [p]lan, the deemed substantive consolidation . . . is consensual.").

19. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The Plan is a liquidating plan that calls for the dissolution of the Debtors. Accordingly, section 1123(a)(6) of the Bankruptcy Code is not applicable.

20. Public Policy (11 U.S.C. § 1123(a)(7)). In addition, I understand that in accordance with section 1123(a)(7) of the Bankruptcy Code, the Debtors disclosed, as part of the Plan Supplement, the identity, compensation, and affiliations (if any) of the Liquidation Trustee, the Governors of the Liquidation Trust Board, the GUC Distribution Trustee and the Governors of the GUC Distribution Trust Board in accordance with section 1129(a)(5) of the Bankruptcy Code. *See* D.I. 777.[5] I have been advised that these provisions are consistent with the interests of creditors and equity security holders and with public policy in accordance with section 1123(a)(7) of the Bankruptcy Code.

21. Impairment of Classes (11 U.S.C. § 1123(b)(1)). Article II of the Plan Impairs or leaves Unimpaired, as the case may be, each Class of Claims or Interests under the Plan.

22. Treatment of Executory Contracts and Unexpired Leases (11 U.S.C. § 1123(b)(2)). Pursuant to Article V.A. of the Plan, on the Effective Date, all Executory Contracts and Unexpired Leases not previously assumed or rejected before the Effective Date will be deemed rejected pursuant to sections 365 and 1123 of the Bankruptcy Code, except for any Executory Contract or Unexpired Lease (1) identified on the Assumed Contracts Schedule as an Executory Contract or Unexpired Lease designated for assumption and assignment to the Liquidation Trust, (2) that is the subject of a separate motion or notice to assume or reject Filed and pending as of the Effective Date, or (3) that previously expired or terminated pursuant to its own terms. Additionally, Article

[5] The Debtors disclosed the identity of the Delaware Trustee (as defined in the Liquidation Trust Agreement) in the amended Plan Supplement [D.I. 792]. The Delaware Trustee will receive $1,500 annually for his services as the Delaware Trustee.

V.E. of the Plan provides that all rights of the Debtors under the Insurance Policies will automatically become vested in the Liquidation Trust as of the Effective Date. Further, to the extent that any Insurance Policies are deemed Executory Contracts, then, unless the Insurance Policies have been rejected pursuant to an order of the Bankruptcy Court (including the Confirmation Order), and notwithstanding anything to the contrary in the Plan, the Plan will constitute a motion to assume and assign to the Liquidation Trust, permit to "ride through" or ratify such Insurance Policies.

23. Section 1123(b)(6) of the Bankruptcy Code. Pursuant to section 1123(b)(6) of the Bankruptcy Code, the Plan may include any other appropriate provision that is not inconsistent with any applicable provisions of the Bankruptcy Code. Pursuant to this section, the Plan contains release and exculpation provisions that were integral components of the Plan Settlement (as defined below) underlying the Plan. Based on my knowledge of the Plan Settlement, these provisions are fair and reasonable, supported by consideration, and necessary to the realization of the Plan and the value realized thereunder. Accordingly, it is my understanding that such provisions are not inconsistent with any applicable provision of the Bankruptcy Code and should be approved.

24. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). To the best of my knowledge, the Debtors, as proponents of the Plan, acting through their respective agents, representatives and professionals, have complied with all applicable provisions of the Bankruptcy Code in proposing the Plan and with the Disclosure Statement Order in commencing and conducting the solicitation of acceptances or rejections of the Plan.

25. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). To the best of my knowledge, the Debtors, as proponents of the Plan, acting through their respective agents,

representatives and professionals, have (i) proposed the Plan (a) in good faith, and (b) not by any means forbidden by law, and (ii) acted in good faith in the negotiation and formulation of the Plan.

26. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors, or by a person issuing securities or acquiring properties under the Plan, for services or for costs and expenses in or in connection with these chapter 11 cases, or in connection with the Plan and incident to these chapter 11 cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

27. Trustees, Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The identity, affiliations and compensation of each of the Liquidation Trustee, the Governors of the Liquidation Trust Board, the GUC Distribution Trustee, the Governors of the GUC Distribution Trust Board and the Delaware Trustee proposed to serve after the Effective Date have been fully disclosed in the Plan Supplement and herein. *See* D.I. 777, 792.

28. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for rate changes subject to the jurisdiction of any governmental regulatory agency.

29. Best Interests of Creditors Test (11 U.S.C. § 1129(a)(7)). With respect to each Impaired Class, each Holder of a Claim or Interest either has accepted the Plan or will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would have received or retained had the Debtors been liquidated under chapter 7 of the Bankruptcy Code on such date.

30. A hypothetical chapter 7 liquidation analysis is attached to the Disclosure Statement as Exhibit B (the "**Liquidation Analysis**"). The Liquidation Analysis demonstrates that all Holders of Claims and Interests, other than Boeing as the sole Holder of Claims in Class 3 and who voted to accept the Plan, will recover value equal to or in excess of what such Holders of

Claims and Interests would receive in a hypothetical chapter 7 liquidation. In addition, no creditor or interest holder has objected to the Plan. Accordingly, I believe that the Plan satisfies section 1129(a)(7) of the Bankruptcy Code.

31. Treatment of Administrative and Priority Tax Claims (11 U.S.C. § 1129(a)(9)). Pursuant to Article III.A.1.b of the Plan, unless (1) otherwise agreed by the Holder of an Administrative Claim and the Debtors or the Liquidation Trustee, as applicable, or (2) an order of the Bankruptcy Court provides otherwise, each Holder of an Allowed Administrative Expense Claim shall receive Cash equal to the full unpaid amount of its Allowed Administrative Claim from the Liquidation Trust. At its option, the Liquidation Trustee will pay an Allowed Administrative Claim (i) in the ordinary course of business or (ii) on the latest to occur of (A) the Effective Date (or as soon as reasonably practicable thereafter), (B) the date the Administrative Claim becomes an Allowed Administrative Claim (or as soon as reasonably practicable thereafter) and (C) such other date as may be agreed on by the Liquidation Trustee and the Holder of the Administrative Claim. Additionally, pursuant to Article III.A.2 of the Plan, unless otherwise agreed by the Holder of a Priority Tax Claim and the Debtors or the Liquidation Trustee, as applicable, each Holder of an Allowed Priority Tax Claim, at the option of the Debtors or Liquidation Trustee, as applicable, will receive, in full satisfaction of its Allowed Priority Tax Claim either (a) Cash equal to the amount of such Allowed Priority Tax Claim paid from the Debtors or the Liquidation Trust, as applicable (i) on the Effective Date or (ii) if the Priority Tax Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim; or (b) Cash in the aggregate amount of such Allowed Priority Tax Claim payable in annual equal installments commencing on the later of (i) the Effective Date (or as soon as reasonably practicable thereafter) and (ii) the date such

Priority Tax Claim becomes an Allowed Priority Tax Claim (or as soon as practicable thereafter) and ending no later than five years after the Petition Date.

32. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Of those creditors that voted, more than a majority in number and two-thirds in dollar amount of the non-insider creditors in Class 3 (Prepetition Credit Agreement Claims and DIP Claims) and Class 4 (General Unsecured Claims) who were entitled to accept or reject the Plan have voted to accept the Plan. Therefore, section 1129(a)(10) of the Bankruptcy Code is satisfied.

33. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan itself calls for liquidation of the Debtors. Therefore, confirmation of the Plan is not likely to be followed by the need for further financial reorganization of the Debtors, thereby satisfying (or eliminating the need to consider) section 1129(a)(11) of the Bankruptcy Code.

34. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees under 28 U.S.C. § 1930 presented to date have been paid or provided for. Moreover, as set forth in Article III.A.1.c of the Plan, after the Effective Date, the Liquidation Trust or Boeing, as applicable, shall pay any and all such fees when due and payable.

35. Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Debtors provide no "retiree benefits" as such term is defined in section 1114 of the Bankruptcy Code. Therefore, section 1129(a)(13) of the Bankruptcy Code is inapplicable.

36. Domestic Support Obligation (11 U.S.C. § 1129(a)(14)). As the Debtors are not required to pay any domestic support obligations, section 1129(a)(14) of the Bankruptcy Code is inapplicable.

37. Individual Debtor Requirements (11 U.S.C. § 1129(a)(15)). As the Debtors are not individuals, section 1129(a)(15) of the Bankruptcy Code is inapplicable.

38. Identification of Plan Proponents (Fed. R. Bankr. P. 3016(a)). As required by Bankruptcy Rule 3016(a), the Plan is dated and identifies the Debtors as the plan proponents of the Plan.

39. Fair and Equitable; No Unfair Discrimination (11 U.S.C. § 1129(b)). The Plan satisfies all of the applicable requirements of section 1129(a) of the Bankruptcy Code other than section 1129(a)(8). Class 3 (Prepetition Credit Agreement Claims and DIP Claims) and Class 4 (General Unsecured Claims), two of the three Impaired Classes that are entitled to vote on the Plan, have voted to accept the Plan. Class 6 (Intercompany Claims) are Impaired under the Plan, but as proponents of the Plan such Holders are conclusively presumed to accept the Plan. Class 5 (Non-Released Party General Unsecured Claims) voted to reject the Plan, and Class 7 (Debtor Interests) is deemed to have rejected the Plan.

40. Pursuant to section 1129(b)(1) of the Bankruptcy Code, the Plan may still be confirmed, notwithstanding that not all Impaired Classes have voted to accept the Plan, if the Plan is fair and equitable with respect to, and does not unfairly discriminate against, such Classes. Here, with respect to Class 5, no Holders of Claims or Interests that are subordinate to the Claims in Class 5 will receive a Distribution or retain any property under the Plan.[6] Further, with respect to Class 7, no Holders of Interests that are subordinate to the Interests in Class 7 will receive or retain any property under the Plan. In addition, no Classes of Claims senior to Classes 5 or 7 will receive more than a full recovery on account of their Claims. Further, although Class 5 has rejected the Plan, to the extent any Class 5 Claims become Allowed, such Allowed Class 5 Claims (if any) will be entitled to the same treatment as Allowed Claims in Class 4. Finally, no Holders of Claims in

[6] To facilitate the purposes of the Liquidation Trust, (i) one equity interest in TECT Parent will be issued to the Liquidation Trust, and (ii) at the option of the Debtors, Debtors holding Interests in a Subsidiary Debtor may have such Interests reinstated or assigned to the Liquidation Trust.

Class 5 or Holders of Interests in Class 7, or any party in interest, has filed an objection to the treatment afforded by the Plan. Accordingly, it is my understanding that the Plan is fair and equitable with respect to such Classes and does not unfairly discriminate against such Classes. Therefore, the Plan complies with section 1129(b) of the Bankruptcy Code and may be confirmed notwithstanding that Class 5 voted to reject, and Class 7 was deemed to have rejected, the Plan.

41. Section 1129(c) – Only One Plan. Other than the Plan, no plan has been filed in these chapter 11 cases and neither the Debtors nor any other party are presently seeking confirmation of any plan other than the Plan. Therefore, the Plan complies with section 1129(c) of the Bankruptcy Code.

42. Principal Purpose of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933.

43. Compliance with Bankruptcy Rule 3016(c). In accordance with Bankruptcy Rule 3016(c), the Plan and Disclosure Statement describe in specific and conspicuous bold language all acts to be enjoined and identifies the entities that would be subject to the injunction to the extent required thereunder.

PLAN SETTLEMENT

44. Following the close of the Asset Sales and the entry of the DIP Order, the Debtors, the Committee, and Boeing (the "**Settling Parties**") engaged in discussions regarding a potential exit path for the Debtors from chapter 11. As a result of these discussions, the Settling Parties reached a settlement regarding the resolution of the chapter 11 cases (the "**Plan Settlement**"), which was reflected in Exhibit D to the Disclosure Statement and is embodied in the Plan.

45. I believe that the Plan Settlement is an integral component of the Plan, is necessary to achieve a beneficial resolution of the chapter 11 cases for all parties in interest, represents a

sound and valid exercise of the Debtors' business judgment, and represents a fair, equitable and reasonable settlement of all issues between the Settling Parties. In particular, the Plan Settlement resolves potential litigation among the Settling Parties, provides for the orderly wind down of the Debtors and their Estates, and provides a recovery to Holders of Allowed Claims that would not otherwise receive a recovery in a chapter 7 liquidation. Accordingly, I believe that the Plan Settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests, and should be approved.

THE RELEASES, EXCULPATION AND INJUNCTION

46. The Plan provides for certain releases (collectively, the "**Releases**"), which include releases by the Debtors (the "**Debtor Release**") in Article IX.B.1 and releases by holders of Claims (the "**Third-Party Releases**") in Article IX.B.2. The Plan also includes in Article IX.A a customary exculpation provision (the "**Exculpation Provision**"), and sets forth in Articles IX.C and IX.D certain injunction provisions (the "**Injunction Provisions**"). I have reviewed the Releases, Exculpation Provision and Injunction Provisions, and I believe based on discussion with Debtors' counsel, as well as my own personal knowledge and experience in these chapter 11 cases, that the Releases, Exculpation Provision and Injunction Provisions are appropriate, comply with applicable Third Circuit law and should be approved.

47. Initially, the Debtor Release is a necessary component of the Plan and the Plan Settlement and provides appropriate levels of protection to the Released Parties. Moreover, I am unaware of any material claims that the Debtors are releasing against any Released Parties pursuant to the Debtor Release. In particular, at least with respect to Boeing, Boeing has already received a broad release from the Debtors and the Estates pursuant to the DIP Order. As such, retaining and potentially pursuing any unknown or speculative claims against the Released Parties is not in the

best interests of the Debtors' various constituencies as the costs involved likely would outweigh any potential benefits from pursuing such claims (if any). Accordingly, I believe that approval of the Debtor Release represents the sound and valid exercise of the Debtors' business judgment and, for that reason and based on discussions with counsel, should be approved.

48. I also understand that certain courts have looked to various factors when determining whether to approve a release such as the Debtor Release. It is my understanding, based on discussions with Debtors' counsel, that if the Bankruptcy Court looked to such factors, it would conclude that it should approve the Debtor Release. For example, one such factor is whether there is an identity of interest between the Debtors and the Released Parties. Here, each of the Released Parties share the common goal of confirming the Plan, resolving their competing and interrelated Claims and achieving fair and equitable Distributions under the Plan. Moreover, certain of the Released Parties are entitled to indemnification such that a claim against such Released Party is tantamount to a claim against the Debtors. Thus, I believe there is such an identity of interest. In addition, I understand that another factor is whether the Released Parties made a substantial contribution to the chapter 11 cases. Here, (a) all of the Released Parties substantially contributed their time and efforts to the success of these chapter 11 cases, including playing indispensable roles in effecting the Asset Sales, negotiating the Plan Settlement and transitioning into an orderly wind down; and (b) Boeing, in particular, substantially contributed to the chapter 11 cases by, among other things, partially subordinating its Claims so that other creditors would receive a recovery under the Plan, agreeing to the consensual use of its cash collateral and providing additional funding to the Debtors without which the Debtors would have been unable to pursue the Asset Sales and confirmation of the Plan for the benefit of all stakeholders. Another factor is whether the release is essential to the reorganization. Here, as noted above, the Debtor

Release is a necessary component of the Plan Settlement and the Plan. Another factor is whether a substantial majority of creditors have agreed to the release. Here, no party has filed an objection to the Plan and, as demonstrated by the Voting Declaration, the vast majority of creditors entitled to vote on the Plan voted in favor of the Plan. In sum, to the extent the Bankruptcy Court deems them relevant, the foregoing non-exclusive factors support approval of the Debtor Release.

49. The Third-Party Releases are fair and reasonable and should be approved. The Releasing Parties granting the Third-Party Releases voted to accept the Plan, were involved in the negotiation of the Plan, are the Non-Debtor Subsidiaries, and/or are the successors and assigns of the foregoing parties. The Holders of Claims in Classes 3, 4 and 5 have been provided sufficient information to determine whether to grant the Third-Party Releases, and, to the extent they were not otherwise a Releasing Party, only granted such Third-Party Releases by affirmatively voting to accept the Plan. Accordingly, the Third-Party Releases are entirely consensual, and I believe they should be approved.

50. The Plan also provides for an exculpation and limitation of liability under the Exculpation Provision included in Article IX.A. I believe that the proposed Exculpation Provision is appropriate because it expressly and narrowly applies to the Exculpated Parties, who are all fiduciaries of the Estates, and only relates to acts in connection with the chapter 11 cases that occurred between the Petition Date and the Effective Date. Accordingly, I believe that the Exculpation Provision should be approved as appropriate under section 1125(e) of the Bankruptcy Code.

51. Finally, I understand that the Injunction Provisions are narrowly tailored to effectuate the Releases, protect the assets of the Debtors' Estates, and enforce the terms of the Plan.

WAIVER OF STAY

52. I understand that, generally, Bankruptcy Rule 3020(e) imposes a 14-day stay of the effectiveness of an order confirming a chapter 11 plan, unless the Bankruptcy Court orders otherwise. I believe that a waiver of the stay, which would permit the Debtors to consummate the Plan and commence implementation without delay after the entry of the Confirmation Order, is in the best interests of the Estates and creditors and will not prejudice any parties in interest. Further, because no party objected to the Plan, no party will be prejudiced if such waiver is granted.

CONCLUSION

53. In light of the foregoing, I believe that: (i) the Plan Settlement is fair, reasonable and in the best interests of the Debtors, their Estates, and Holders of Claims and Interests; (ii) the Plan has been proposed by the Debtors in good faith and satisfies the applicable provisions of sections 1123 and 1129 of the Bankruptcy Code and complies with all other applicable sections of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable non-bankruptcy law; and (iii) confirmation of the Plan is in the best interests of the Debtors, their Estates, Holders of Claims and Interests, and other parties in interest in these chapter 11 cases.

54. Accordingly, I believe that the Plan satisfies the requirements of the Bankruptcy Code, the Bankruptcy Rules and other applicable non-bankruptcy laws, as they have been explained to me, and should be confirmed.

Executed this 4th day of March, 2022.

TECT Aerospace Group Holdings, Inc., *et al.*,
Debtors and Debtors in Possession

/s/ Shaun Martin
Shaun Martin
Chief Restructuring Officer