

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

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

Debtors.¹

EQUITY BANK,

Plaintiff,

vs.

TECT AEROSPACE GROUP
HOLDINGS, INC., et al., THE BOEING
COMPANY, CENTRAL KANSAS
AEROSPACE MANUFACTURING,
LLC and HALL INDUSTRIAL
SERVICES, INC.,

Defendants.

Chapter 11

Case No.: 21-10670 KBO

Adv. Proc. No. 21-51411-KBO

Ref. Adv. Docket Nos. 1, 2, 3

**DECLARATION OF EDWARD NEVERIL IN SUPPORT OF THE BOEING COMPANY
AND CENTRAL KANSAS AEROSPACE MANUFACTURING, LLC'S OPPOSITION
TO MOTION OF EQUITY BANK FOR ENTRY OF TEMPORARY RESTRAINING
ORDER AND PRELIMINARY INJUNCTION OR, ALTERNATIVELY, FOR
IMMEDIATE RELIEF FROM THE AUTOMATIC STAY**

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 Conway MacKenzie, LLC, Attn: Shaun Martin, 265 Franklin Street, Suite 1004, Boston, MA 02110.



I, Edward J. Neveril, declare as follows:

1. I am the Vice President and Managing Director of Enterprise Corporate Development at The Boeing Company. I am over twenty-one years of age and I make this declaration based upon my personal knowledge and my review of the business records and files of The Boeing Company and its subsidiary Central Kansas Aerospace Manufacturing, LLC (“**CKAM**” and, with The Boeing Company, collectively “**Boeing**”). I am competent to testify as a witness to the information contained herein. I make this declaration in support of Boeing’s Opposition (“**Opposition**”) to the *Motion of Equity Bank for Entry of Temporary Restraining Order and Preliminary Injunction or, Alternatively, for Immediate Relief From the Automatic Stay*, Adv. Docket No. 2 (the “**TRO Motion**”).²

2. CKAM has not disposed of—and is not seeking to dispose of—the Equipment. Instead, CKAM (with Debtors’ involvement) has contracted with Hall Industrial Services to decommission and relocate the Equipment to a different part of the facility in accord with standard practice regarding unused industrial equipment in order to market the remaining term of the lease to third parties in a manner that would benefit the estates and their stakeholders.

3. The underlying lease of the Equipment was rejected more than four months ago. Soon after, CKAM and the Debtors requested that the then-owner of the Equipment remove it from the Park City facilities. Equity Bank, apparently taking title to the Equipment in a deed-in-lieu of foreclosure transaction more than a month ago, has done nothing itself to disposition the Equipment, despite it having been contemporaneously notified of the Debtors’ request that the prior owner remove the Equipment from the facility.

² All capitalized terms not defined herein bear the respective meanings ascribed to them in the Opposition.

4. CKAM is exercising all due care and is supervising professional decommissioning experts in the activities in Park City. Additionally, CKAM has provided requested access to agents of Utica Park City Realty, LLC, the landlord for the Park City facility, to inspect the decommissioning work performed to confirm that no damage to the facility has resulted from the professional decommissioning efforts undertaken this week.

5. For several months, CKAM has worked strenuously to enable a sale of the rights to the Park City facility and lease. Under the circumstances present here, such a sale can take two basic forms: (i) a bare assumption and assignment of the lease, without anything more (or with all or a portion of the equipment and other materials owned by CKAM); or (ii) an assumption and assignment of the lease coupled with a sale of some or all of the Equipment (together with all or a portion of the equipment and other materials owned by CKAM). Each would benefit both the estates and CKAM. CKAM has been encouraging Equity Bank—for the benefit of Equity Bank, the estates and their stakeholders, and CKAM—for months to pursue a reasonable transaction with potential buyers. But, to date, no deals have been reached, in large part because Equity Bank continues to maintain an unrealistic position on the value of the Equipment, which at \$35 million (according to David King's declaration) stands in stark contrast to independent third-party valuations of the Equipment on an orderly liquidation basis. Upon information and belief, prospective buyers of the Equipment have offered to pay more than those third party orderly liquidation valuations.

6. Equity Bank makes much of the fact that the Debtors' right to assume and assign the lease, and Boeing's right to control that process through its designation rights, will expire at the end of January. That is precisely the point: these are complex machines, which cannot be moved without a significant, professional decommissioning effort. It is a multi-week process to

be able to move the machines in a manner that preserves their value and avoids any harm. Thus, to provide CKAM and the estates with any time to market the lease, the process must start now, as it has, to optimize the marketing process.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at Chicago, Illinois on this 17th day of December, 2021.

/s/ Edward J. Neveril

Edward J. Neveril