

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

In re:

AeroCision Parent, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 23-11032 (KBO)

(Jointly Administered)

Ref. Docket No. 11

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN
PREPETITION CLAIMS OF CRITICAL VENDORS, AND
(II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an interim order (this “**Interim Order**”) under sections 105(a), 363(b), 503(b)(9), 1107(a), and 1108 of the Bankruptcy Code, and Bankruptcy Rules 6003 and 6004 (i) authorizing, but not directing, the Debtors to pay, in the ordinary course of business, certain prepetition claims of the Critical Vendors, subject to the conditions described herein, (ii) authorizing the Banks to honor and process related checks and transfers, and (iii) granting certain related relief; and upon consideration of the First Day Declaration; and a hearing having been held to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the record of the Hearing; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required except as otherwise provided herein; and it appearing that this Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334 and the Amended Standing

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective federal tax identification numbers, are: AeroCision Parent, LLC (8828); AeroCision, LLC (0509); and Numet Machining Techniques, LLC (3162). The Debtors’ service address is 12-A Inspiration Lane, Chester, CT 06412.

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

Order; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and their creditors, and is necessary to avoid immediate and irreparable harm to the Debtors and their estates, as contemplated by Bankruptcy Rule 6003(b); and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED on an interim basis as set forth herein.
2. Objections to entry of an order granting the Motion on a final basis must be filed by August 15, 2023 at 4:00 p.m. (ET) and served on: (i) proposed counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Michael R. Nestor (mnestor@ycst.com), Andrew L. Magaziner (amagaziner@ycst.com), Elizabeth S. Justison (ejustison@ycst.com), and Shella Borovinskaya (sborovinskaya@ycst.com); (ii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Jane M. Leamy (jane.m.leafy@usdoj.gov); (iii) counsel to the DIP Lenders, (a) Choate, Hall & Stewart LLP, Two International Place, Boston, Massachusetts 02110 (Attn: Douglas R. Gooding, P.C. (dgooding@choate.com) and Jonathan D. Marshall (jmarshall@choate.com)), and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, Wilmington, Delaware 19801 (Attn: Derek C. Abbott (dabbott@morrishichols.com)); (iv) counsel to the Prepetition Second Lien Lenders, (a) Moore & Van Allen, 100 North Tryon Street, Suite 4700, Charlotte, North Carolina 28202 (Attn: Zachary H. Smith (zacharysmith@mvalaw.com) and Kimberly Easter Zirkle (kimberlyzirkle@mvalaw.com)) and (b) Richards Layton & Finger, P.A., One Rodney Square,

920 North King Street, Wilmington, Delaware 19801 (Attn: Jason M. Madron (madron@rlf.com)) (v) counsel to Liberty Hall Capital Partners Fund I, L.P., (a) Gibson, Dunn & Crutcher LLP, 333 South Grand Avenue, Los Angeles, California 90071 (Attn: Robert Klyman (rklyman@gibsondunn.com), Jeffrey C. Krause (jkrause@gibsondunn.com)), and Natalie L. Soloperto (nsoloperto@gibsondunn.com), and (b) Cole Schotz P.C., 500 Delaware Ave., Suite 1410, Wilmington, DE 19801 (Attn: Norman L. Pernick (npernick@coleschotz.com)); and (vi) counsel to any statutory committee appointed in these chapter 11 cases. A final hearing, if required, on the Motion will be held on August 22, 2023 at 1:00 p.m. (ET). If no objections are filed to the Motion, this Court may enter a final order without further notice or hearing.

3. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to pay the Critical Vendor Claims; *provided*, that payments on account of Critical Vendor Claims shall not exceed \$5 million in the aggregate during the interim period from the date of the entry of this Interim Order until the date that a final order is entered on this matter, unless otherwise ordered by this Court.

4. The Debtors are authorized, but not directed, to pay the Critical Vendor Claims in the ordinary course of business when due, not on an accelerated basis; *provided*, *however*, that any Critical Vendor that accepts payment pursuant to the authority granted in this Interim Order must agree to supply the Goods and Services to the Debtors postpetition on Customary Trade Terms (as defined below) or on such other favorable terms as are acceptable to the Debtors.

5. Any payments with respect to prepetition claims hereunder shall first be used to satisfy any allowed claim of the applicable Critical Vendor that is entitled to priority under

section 503(b)(9) of the Bankruptcy Code, in whole or in part, and thereafter to satisfy the applicable Critical Vendor's general unsecured claims(s).

6. Any Critical Vendor that accepts payment pursuant to the authority granted in this Interim Order shall be deemed to agree to the terms and provisions of this Interim Order. The Debtors shall provide a copy of this Interim Order to any Critical Vendor to whom a payment is made pursuant to this Interim Order.

7. Neither the Debtors nor any other party in interest concedes that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Interim Order are valid, and the Debtors expressly reserve the right to contest the extent, validity, or perfection or seek the avoidance of all such liens.

8. The Debtors shall condition the payment of Critical Vendor Claims on the agreement of a Critical Vendor to continue supplying the Goods and Services to the Debtors on terms that are as or more favorable to the Debtors as the most favorable trade terms, practices, and programs in effect between the Critical Vendor and the Debtors in the six (6) months period preceding the Petition Date (the "**Customary Trade Terms**"), or such other trade terms as are agreed to by the Debtors and the Critical Vendor.

9. The Debtors may, in their sole discretion, declare a Trade Agreement with an individual Critical Vendor terminated, together with the other benefits to the Critical Vendor as contained in this Interim Order, on the date the Debtors deliver notice to the Critical Vendor that the Critical Vendor (a) has not complied with the terms and provisions of the Trade Agreement or (b) has failed to continue to provide Customary Trade Terms to the Debtors.

10. If a Trade Agreement is terminated as set forth above or a Critical Vendor who has received payment of a prepetition claim later refuses to continue to supply the Goods and

Services to the Debtors on Customary Trade Terms during the pendency of these chapter 11 cases, the Debtors may declare (a) that the payment of such Critical Vendor Claim is a voidable postpetition transfer pursuant to section 549(a) of the Bankruptcy Code that the Debtors may recover in cash from such Critical Vendor (including by setoff against postpetition obligations), or (b) that the Critical Vendor shall immediately return the payment of its Critical Vendor Claim without giving effect to alleged setoff rights, recoupment rights, adjustments, or offsets or any type whatsoever, it being the explicit intention of this Court to return the parties to their position immediately prior to entry of this Order with respect to all prepetition claims.

11. The execution of a Trade Agreement by the Debtors shall not constitute a waiver of any other cause of action, including any avoidance action that may be held by the Debtors.

12. Nothing in the Motion or this Interim Order shall prejudice the Debtors' rights to request further authority from this Court, after notice and an opportunity for a hearing, to pay any Critical Vendor payments in excess of the cap described herein.

13. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests in connection with any Critical Vendor Claims that are dishonored or rejected.

14. Nothing in this Interim Order: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; or (c) shall be construed as a promise to pay any claim.

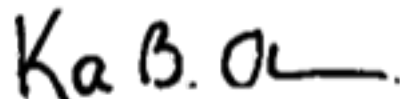
15. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted herein.

16. The requirements of Bankruptcy Rule 6003(b) are satisfied because the relief granted by this Interim Order is necessary to avoid immediate and irreparable harm to the estates.

17. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be effective and enforceable immediately upon its entry.

18. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

Dated: August 1st, 2023
Wilmington, Delaware


KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE