

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

GRITSTONE BIO, INC.,¹

Debtor.

Chapter 11

Case No. 24-12305 (KBO)

Related Docket No. 592

ORDER APPROVING STIPULATION BETWEEN
THE DEBTOR AND JPMORGAN CHASE BANK, N.A.

Upon the *Certification of Counsel Regarding Order Approving Stipulation Between the Debtor and JPMorgan Chase Bank, N.A.* (the “Certification of Counsel”) and the *Stipulation with JPMorgan Chase Bank, N.A., (I) Confirming Validity of Lien on Pledged Cash Security, (II) Modifying The Automatic Stay to Allow Application of Pledged Funds to Letter of Credit Reimbursement Obligations, and (III) Approving Termination and Closure of Commercial Credit Card Services Account* (the “Stipulation”),² attached hereto as **Exhibit 1**, by and among Gritstone bio, Inc., debtor and debtor in possession (the “Debtor”), and JPMorgan Chase Bank, N.A. (“JPM” and, together with the Debtor, the “Parties”); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that venue of this proceeding and the Stipulation in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having reviewed the Stipulation; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Stipulation is approved.

¹ The Debtor’s mailing address is 4698 Willow Road, Pleasanton, CA 94588, and the last four digits of the Debtor’s federal tax identification number is 9534.

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



2. The Parties are authorized to enter into, perform and consummate the transactions set forth in and contemplated under the Stipulation.

3. The automatic stay is modified in favor of JPM on the terms as set forth in the Stipulation.

4. Pursuant to Sections 362(a) and 364(c) and (d) of the Bankruptcy Code, the rights and relief accorded to JPM and further payments of claims and obligations as set forth in the Stipulation are hereby authorized and approved.

5. This Court shall retain jurisdiction to resolve any and all disputes arising from or related to the Stipulation or this Order.

6. The Stipulation shall become effective immediately upon entry of this Order.

Dated: April 2nd, 2025
Wilmington, Delaware

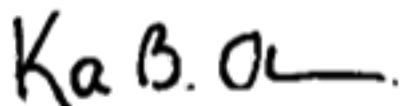

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

(Stipulation)

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

In re:

GRITSTONE BIO, INC.,¹

Debtor.

Chapter 11

Case No. 24-12305 (KBO)

**STIPULATION WITH JPMORGAN CHASE BANK, N.A.,
(I) CONFIRMING VALIDITY OF LIEN ON PLEDGED CASH
SECURITY, (II) MODIFYING THE AUTOMATIC STAY TO ALLOW
APPLICATION OF PLEDGED FUNDS TO LETTER OF CREDIT
REIMBURSEMENT OBLIGATIONS, AND (III) APPROVING TERMINATION
AND CLOSURE OF COMMERCIAL CREDIT CARD SERVICES ACCOUNT**

Gritstone bio, Inc., debtor and debtor in possession (the “**Debtor**”), and JPMorgan Chase Bank, N.A. (“**JPM**” and, together with the Debtor, the “**Parties**”), hereby stipulate and agree (this “**Stipulation**”) as follows:

RECITALS

WHEREAS, on October 10, 2024 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), and continues to manage its business and assets as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, prior to the Petition Date, the Debtor executed and delivered to JPM its Application and Agreement for JPM’s issuance of a corresponding Letter of Credit, to assure

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the beneficiaries thereunder of the Debtor's payment of certain of the Debtors' monetary obligations to such beneficiaries, as follows:

A. An *Application and Agreement for Irrevocable Standby Letter of Credit* dated August 25, 2021 (the "**09/22/21 LC Agreement**"), pursuant to which the Debtor, as Applicant/Obligor, applied for, and JPM issued, its *Irrevocable Standby Letter of Credit Reference No. XXXXXXXX0084* dated September 22, 2021 in favor of *RREF II Kenmore Lessor III LLC* and *RREF II Kenmore Lessor IV LLC, c/o The Related Companies LP*, as beneficiaries, in the face amount of \$4,602,926.64, with an original expiration date of September 15, 2022 (as such was extended, the "**09/22/21 LC**");

WHEREAS, the Debtor acknowledges it has reviewed a copy of the LC Agreement, the Letter of Credit, the Deposit Assignment (defined below), and the Commercial Card Agreement (defined below), and therefore copies of such documents are not annexed as exhibits to this Stipulation;

WHEREAS, the Debtor delivered to and in favor of JPM its *Assignment of Deposit Account* dated as of March 29, 2017, which was thereafter amended and restated by the Debtor's execution and delivery of its *Assignment of Deposit Account* dated as of June 5, 2024 (as amended and restated, the "**Deposit Assignment**"), pursuant to which the Debtor assigned and granted to JPM a perfected first priority lien and security interest in and control of the Debtor's cash deposit account held by JPM and ending in account #0326 (the "**Deposit Account**"), to secure payment of the Debtor's Liabilities (as defined in the Deposit Assignment) owing to JPM, and which pledged Deposit Account as of January 30, 2025, held a cash balance of \$5,351,903.80 (the "**Cash Security**");

WHEREAS, JPM notified the Debtor that it received a compliant “sight draft” draw-down and demand for payment from *RREF II Kenmore Lessor III LLC and RREF II Kenmore Lessor IV LLC, c/o The Related Companies LP*, the beneficiaries under the 09/22/21 LC (collectively, the “**09/22/21 LC Beneficiary**”), in response to which JPM honored its obligations under the 09/22/21 LC and on or about December 27, 2024, paid such 09/22/21 LC Beneficiary cash in the amount of \$4,602,926.64 (the “**09/22/21 LC Pay-Out**”);

WHEREAS, the 09/22/21 LC Pay-Out fully paid-off the undrawn principal face amount of the 09/22/21 LC upon which the 00/22/21 LC Beneficiary was entitled to draw, thereby satisfying JPM’s obligations to the 09/22/21 LC Beneficiary thereunder;

WHEREAS, pursuant to the 9/22/21 LC Agreement, the Debtor is obligated to reimburse JPM in the amount of the 09/22/21 LC Pay-Out, together with JPM’s administrative fees and expenses incurred incidental thereto in the amount of \$4,602.93 (the “**Administrative Charge**”);

WHEREAS, pursuant to the Deposit Assignment, JPM has the right to apply Cash Security against and in the amount of the 09/21/22 LC Pay-Out plus JPM’s Administrative Charge, together with JPM’s reasonable attorney’s fees incurred in connection with the Letters of Credit and in asserting its rights and seeking relief in the Debtor’s bankruptcy case in connection therewith (the 09/21/22 LC Pay-Out, together with JPM’s Administrative Charge and JPM’s reasonable legal fees, against which JPM has the right to apply Cash Security, collectively, the “**LC Reimbursement Claim**”);

WHEREAS, in addition to the foregoing, the Debtor delivered to JPM its *One Card Onboarding Document Package* and its corresponding *Commercial Card Terms and Conditions* dated November 10, 2020 (the “**Commercial Card Agreement**”), pursuant to which JPM issued to the Debtor one or more commercial credit Card(s) (as defined in the Commercial Card

Agreement), and under which the Debtor had incurred credit obligations to JPM by virtue of its pre-Petition Date use of the Card(s) in the ordinary course of its business, however has not utilized the Card(s) on a post-Petition Date basis; and

WHEREAS, the Parties agree this Stipulation is in the best interests of the Debtor and its estate and should be approved, in particular because timely satisfaction of the LC Reimbursement Claim (and approval of the other terms herein) will save the Debtor's estate the cost of interest accruing on account of such LC Reimbursement Claim, together with the costs of the Debtor's and JPM's respective attorney's fees that would be incurred if JPM was required to seek stay and/or other relief in connection with exercising its rights to apply Cash Security as set forth herein.

NOW, THEREFORE, subject to the approval of the Bankruptcy Court, the Parties hereby stipulate and agree as follows:

1. Upon entry of an order (the "**Stipulation Order**") approving this Stipulation, the stay under section 362 of the Bankruptcy Code is lifted for the limited purpose of permitting JPM to thereupon exercise its right to apply Cash Security to, against and in satisfaction of the LC Reimbursement Claim, itemized as follows:

- a. The 09/22/21 LC Pay-Out in the amount of \$4,602,926.64;
- b. JPM's Administrative Charge in the amount of \$4,602.93; and
- c. JPM's attorney's fees incurred from November 6, 2024, to March 20, 2025, in connection with the Letters of Credit and the Debtor's bankruptcy case, including in connection with this Stipulation, in the aggregate amount of \$28,501.00.

2. After entry of the Stipulation Order, if JPM determines it has any remaining unreimbursed administrative fees, expenses, and/or related costs, including its legal fees incurred, chargeable in connection with the Letter of Credit and the Debtor's bankruptcy case

(collectively, the “**Unreimbursed Charges**”), JPM shall deliver via electronic mail to respective counsel for the Debtor, the DIP Agent (as defined in the Final DIP Order (defined in Section 4 below)), and the Debtor’s Official Unsecured Creditors’ Committee (the “**Committee**”), notice of the amount of any such Unreimbursed Charges, including reasonable detail of the components thereof (the “**Unreimbursed Charges Notice**”). The Unreimbursed Charges Notice shall further set forth JPM’s intention to apply Cash Security against and in satisfaction of such detailed Unreimbursed Charges. Immediately after the date that is five (5) business days after receipt by respective counsel for the Debtor, the DIP Agent and the Committee of such Unreimbursed Charges Notice (such five (5) business day period, the “**5-Day Objection Period**”), JPM may apply Cash Security to, against and in satisfaction of such Unreimbursed Charges, provided, however, that JPM may not apply Cash Security to pay such Unreimbursed Charges immediately after expiration of the 5-Day Objection Period if, within and no later than expiration of the 5-Day Objection Period, the Debtor, the DIP Agent and/or the Committee delivers to JPM’s counsel, via electronic mail, a written objection to JPM’s intended application of Cash Security against such Unreimbursed Charges, stating in reasonable detail therein the grounds for any such objection (any such objection, an “**Unreimbursed Claim Objection**”). The Parties will thereupon confer in a timely manner to seek to resolve the Unreimbursed Claim Objection. If within five (5) business days after delivery of the Unreimbursed Claim Objection the Parties do not mutually resolve such Objection, the Debtor, the DIP Agent and/or the Committee shall, within five (5) business days after such initial five (5) business day period, file the Unreimbursed Claim Objection in the Debtor’s bankruptcy case and request the Bankruptcy Court’s timely hearing to resolve such Objection, to which JPM may respond as it deems appropriate, including to see relief related to its Unreimbursed Charges. Nothing in this Stipulation shall modify, affect or shift any Party’s burden of proof with respect to such

Unreimbursed Claim Objection or JPM's intended application of Cash Security against the Unreimbursed Charges.

3. Within five (5) business days following the date of JPM's application of Cash Security to satisfy its LC Reimbursement Claim as itemized in Section 1 above, JPM shall deliver to respective counsel for the Debtor, the DIP Agent and the Committee its report setting forth (a) the aggregate amount of Cash Security applied in satisfaction of the LC Reimbursement Claim, and (b) the then-remaining net balance of Cash Security held by JPM in the Deposit Account.

4. Furthermore, within five (5) business days after JPM applies Cash Security in satisfaction of any Unreimbursed Charges, JPM shall deliver to respective counsel for the Debtor, the DIP Agent and the Committee its report setting forth (a) the amount of Cash Security applied in satisfaction of such Unreimbursed Charges, and (b) the then-remaining net balance of the Cash Security, if any, held by JPM.

5. At such time as JPM has (a) consummated its application of Cash Security in satisfaction of the LC Reimbursement Claim itemized in Section 1 above, and all Unreimbursed Charges, (b) determined that JPM has no further liability to any beneficiaries or any other person under the Letter of Credit, and (c) determined that all Liabilities of the Debtor under the 9/22/21 LC Agreement have been satisfied, JPM shall, within five (5) business days after occurrence of the last of such foregoing events, deliver electronic notice to respective counsel for the Debtor, the DIP Agent and the Committee (or their designees) of the amount of any then-remaining Cash Security held in the Deposit Account. Thereafter, the Debtor (or its designee) shall deliver to JPM instructions on JPM's return of any such net balance of Cash Security, and JPM may thereafter close the Deposit Account without further order of the Bankruptcy Court.

6. On and after the Petition Date, the Debtor has not used the Card(s) issued under the Commercial Card Agreement, and the Debtor's related Card account has a current credit balance of -\$0.83, ie., \$0 outstanding balance. The Debtor has determined it does not require use of the Card(s) on a post-Petition Date basis, and accordingly has no need to maintain the Commercial Card Agreement in effect. JPM may exercise its right under the Commercial Card Agreement to terminate and close the Card(s) and such Commercial Card Agreement effective as of the Petition Date.

7. JPM's senior liens in and to the Deposit Account pursuant to the Deposit Assignment to secure the Liabilities shall not be subordinated to or impaired by virtue of or under any post-Petition Date secured and/or other financing approved on an interim and/or final basis in the Debtor's bankruptcy case, and (to the extent applicable) JPM's senior liens therein shall constitute Permitted Liens (as defined in the *Order (I) Authorizing The Debtor To Obtain Postpetition Secured Financing Pursuant to Section 364 of the Bankruptcy Code; (II) Authorizing the Debtor to Use Certain Cash Collateral; (III) Granting Liens and Superpriority Administrative Expense Claims; (IV) Granting Adequate Protection to the Prepetition Secured Parties, (V) Modifying the Automatics Stay, and Granting Related Relief* [Docket No. 180] the "**Final DIP Order**") and in the DIP Financing Agreement (as therein defined).

8. This Stipulation is entered into solely to reflect the agreement of the Parties with respect to the subject matter herein, and neither this Stipulation nor the fact of its execution will constitute any admission or acknowledgment on the part of any Party, except with respect to the subject matter of this Stipulation. Each Party is duly authorized and empowered to execute this Stipulation.

9. The Debtor's respective actions and grants and JPM's respective rights and lien interests set forth in this Stipulation are made and shall be deemed authorized and approved

pursuant to Sections 362(d) and 364(c) and (d) of the Bankruptcy Code by virtue of the Bankruptcy Court's entry of the Stipulation Order.

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

11. All of the recitals set forth above are incorporated by reference as if fully set forth herein. This Stipulation constitutes the complete express agreement of the Parties concerning the subject matter hereof, and no modification or amendment to this Stipulation shall be valid unless it is in writing, signed by the Party or Parties to be charged and approved by the Bankruptcy Court.

12. Each Party has participated in and jointly consented to the drafting of this Stipulation and any claimed ambiguity shall not be construed for or against either Party on account of such drafting.

13. Notwithstanding the applicability of Bankruptcy Rule 4001(a)(3), the terms and conditions of this Stipulation shall be immediately effective and enforceable upon its approval.

Dated: March 31, 2025

/s/ James E. O'Neill

Debra I. Grassgreen (admitted *pro hac vice*)
John W. Lucas (admitted *pro hac vice*)
James E. O'Neill (DE Bar No. 4042)
PACHULSKI STANG ZIEHL & JONES LLP
919 North Market Street, 17th Floor
P.O. Box 8750
Wilmington, Delaware 19899-8705
Telephone: 302-652-4100
Facsimile: 302-652-4400
Email: dgrassgreen@pszjlaw.com
jlucas@pszjlaw.com
mpagay@pszjlaw.com
joneill@pszjlaw.com

Counsel to the Debtor and Debtor in Possession

/s/ Kevin M. Capuzzi

Kevin M. Capuzzi, Esq. (DE No. 5462)
BENESCH FRIEDLANDER COPLAN
& ARONOFF, LLP
1313 North Market Street, Suite 1201
Wilmington, Delaware 19801
Telephone: (302) 442-7010
Email: kcapuzzi@beneschlaw.com

William E. Schonberg, Esq.
BENESCH FRIEDLANDER COPLAN
& ARONOFF, LLP
127 Public Square, Suite 4900
Cleveland, Ohio 44114
Telephone: (216) 363-4634
Email: wschonberg@beneschlaw.com

Counsel for JPMorgan Chase Bank, N.A.